

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE SUBSTITUTE NO. 2
FOR
SENATE COMMITTEE SUBSTITUTE
FOR

SENATE BILLS NOS. 248, 100, 118, 233, 247, 341, & 420

1 AN ACT

2 To repeal sections 56.807, 84.140, 86.251,
3 86.690, 104.010, 104.040, 104.110, 104.271,
4 104.340, 104.370, 104.460, 104.517, 104.1003,
5 104.1021, 104.1024, 104.1051, 104.1072,
6 104.1093, 169.712, and 287.845, RSMo, and to
7 enact in lieu thereof twenty-eight new
8 sections relating to the retirement systems
9 and benefits, with penalty provisions and an
10 emergency clause for certain sections.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
12 AS FOLLOWS:

13 Section A. Sections 56.807, 84.140, 86.251, 86.690,
14 104.010, 104.040, 104.110, 104.271, 104.340, 104.370, 104.460,
15 104.517, 104.1003, 104.1021, 104.1024, 104.1051, 104.1072,
16 104.1093, 169.712, and 287.845, RSMo, are repealed and twenty-
17 eight new sections enacted in lieu thereof, to be known as
18 sections 56.807, 84.140, 86.251, 86.394, 86.445, 86.676, 86.690,

1 104.010, 104.040, 104.110, 104.271, 104.340, 104.370, 104.460,
2 104.517, 104.806, 104.1003, 104.1021, 104.1024, 104.1051,
3 104.1072, 104.1093, 168.303, 169.712, 287.845, 488.026, 1, and 2,
4 to read as follows:

5 56.807. 1. Beginning August 28, 1989, and continuing
6 monthly thereafter until August 27, 2003, the funds for
7 prosecuting attorneys and circuit attorneys provided for in
8 subsection 2 of this section shall be paid from county or city
9 funds.

10 2. Beginning [thirty days after the establishment of this
11 system] August 29, 1989, and continuing monthly thereafter until
12 August 27, 2003, each county treasurer shall pay to the system
13 the following amounts to be drawn from the general revenues of
14 the county:

15 (1) For counties of the third and fourth classification
16 except as provided in subdivision (3) of this subsection, three
17 hundred seventy-five dollars;

18 (2) For counties of the second classification, five hundred
19 forty-one dollars and sixty-seven cents;

20 (3) For counties of the first classification, counties
21 which pursuant to section 56.363 elect to make the position of
22 prosecuting attorney a full-time position after August 28, 2001,
23 or whose county commission has elected a full-time retirement
24 benefit pursuant to subsection 3 of section 56.363, and the city
25 of St. Louis, one thousand two hundred ninety-one dollars and

1 sixty-seven cents.

2 3. The county treasurer shall at least monthly transmit the
3 sums specified in subsection 2 of this section to the Missouri
4 office of prosecution services for deposit to the credit of the
5 "Missouri Prosecuting Attorneys and Circuit Attorneys' Retirement
6 System Fund", which is hereby created. All moneys held by the
7 state treasurer on behalf of the system shall be paid to the
8 system within ninety days after August 28, 1993. Moneys in the
9 Missouri prosecuting attorneys and circuit attorneys' retirement
10 system fund shall be used only for the purposes provided in
11 sections 56.800 to 56.840 and for no other purpose.

12 4. The board may accept gifts, donations, grants and
13 bequests from private or public sources to the Missouri
14 prosecuting attorneys and circuit attorneys' retirement system
15 fund.

16 5. No state moneys shall be used to fund section 56.700 and
17 sections 56.800 to 56.840 unless provided for by law.

18 84.140. The boards may grant every member of the police
19 force who has served for one year or more a total of three weeks
20 vacation each year with pay, and each member of the police force
21 who has served the department for twelve years or more may
22 receive four weeks vacation each year with pay, and each member
23 of the police force who has served the department for twenty-one
24 years or more shall receive five weeks vacation each year with
25 pay, and each member of the police force who has served the

1 department for thirty years or more and is eligible to
2 participate in the deferred retirement option plan shall receive
3 six weeks vacation each year with pay; however the board may
4 grant an additional week of paid vacation to members after one
5 year of service. All members of the police force may receive
6 fifteen holidays with pay, however the board may grant additional
7 holidays with pay, and one hundred four days off duty each year
8 with pay, and the boards may from time to time grant additional
9 days off duty each year with pay when in the judgment of the
10 boards, the granting thereof will not materially impair the
11 efficiency of the department.

12 86.251. 1. The board of trustees may develop and establish
13 a deferred retirement option plan (DROP) in which members who are
14 eligible for retirement but who have not terminated employment as
15 police officers and who have not actually retired may
16 participate. The DROP shall be designed to allow members with at
17 least twenty years of creditable service or who have attained the
18 age of fifty-five who have achieved eligibility for retirement
19 and are entitled to a service retirement allowance and other
20 benefits to postpone actual retirement, continue active
21 employment and accumulate a deferred receipt of the service
22 retirement allowance. No one shall participate in the DROP for a
23 period exceeding five years.

24 2. Any member who has at least twenty years of creditable
25 service or has attained the age of fifty-five may elect in

1 writing before retirement to participate in the DROP. A member
2 electing to participate in the DROP shall postpone actual
3 retirement, shall continue in active employment and shall not
4 receive any direct retirement allowance payments or benefits
5 during the period of participation.

6 3. Upon the start of the participation in the DROP, the
7 member shall cease to make any mandatory contributions to the
8 system. No contribution shall be required by the city into the
9 DROP account. During the period of participation in the DROP,
10 the amount that the member would have received as a service
11 retirement allowance if the member had actually retired instead
12 of entering DROP shall be deposited monthly in the member's DROP
13 account which shall be established in the member's name by the
14 board of trustees. The member's service retirement allowance
15 shall not be adjusted for any cost-of-living increases for any
16 period prior to the member's termination of employment as a
17 police officer and actual retirement. Cost-of-living increases,
18 if any, for any period following the member's termination of
19 employment as a police officer and actual retirement shall be
20 applied only to monthly service retirement payments made
21 following termination of employment as a police officer and
22 actual retirement. Service earned during the period of
23 participation in the DROP shall not be creditable service and
24 shall not be counted in determination of any service retirement
25 allowance or surviving spouse's or dependents' benefits.

1 Compensation paid during the period of participation in the DROP
2 shall not be earnable compensation and shall not be counted in
3 the determination of any service retirement allowance or
4 surviving spouse's or dependent's benefits. The member's service
5 retirement allowance shall be frozen as of the date the member
6 enters DROP. Except as specifically provided in sections 86.200
7 to 86.366, the member's frozen service retirement allowance shall
8 not increase while the member is participating in DROP or after
9 the member's participation in DROP ends, and the member shall not
10 share in any benefit improvement that is enacted or that becomes
11 effective while such member is participating in the DROP.

12 4. A member shall cease participation in the DROP upon the
13 termination of the member's employment as a police officer and
14 actual retirement, or at the end of the five-year period
15 commencing on the first day of the member's participation in the
16 DROP, or as of the effective date, but in no event prior to
17 October 1, 2001, of the member's election to return to active
18 participation in the system, whichever occurs first. A member's
19 election to return to active participation in the system before
20 the end of the five-year period commencing on the first day of
21 participation in the DROP shall be made and shall become
22 effective in accordance with procedures established by the board
23 of trustees, but in no event prior to October 1, 2001. Upon the
24 member's termination of employment as a police officer and actual
25 retirement, the member shall elect to receive the value of the

1 member's DROP account, in one of the following forms of payment:

2 (a) A lump sum payment; or

3 (b) Equal monthly installments over a ten-year period.

4 Either form of payment should begin within thirty days after the
5 member's notice to the board of trustees that the member has
6 selected a particular option.

7 5. If a member who is participating in the DROP elects to
8 return to active participation in the system or if a member who
9 is participating in the DROP does not terminate employment and
10 actually retires as a police officer in the city for which the
11 retirement system was established pursuant to sections 86.200 to
12 86.366 [and actually retires] at the end of the five-year period
13 commencing on the first day of the member's participation in the
14 DROP, the member shall return to active participation in the
15 system and shall resume making mandatory contributions to the
16 system effective as of the day after participation in the DROP
17 ends or, if later, October 1, 2001. The board of trustees shall
18 notify the police commissioners to begin deducting mandatory
19 contributions from the member's salary and the member's
20 employment period shall count as creditable service beginning as
21 of the day the member returns to active participation.

22 6. In no event shall a member whose participation in DROP
23 has ended for any reason be eligible to participate in DROP
24 again.

1 7. Upon the member's termination of employment as a police
2 officer and actual retirement, the member's mandatory
3 contributions to the retirement system shall be paid to the
4 member pursuant to subsection 4 of section 86.253.

5 8. If a member dies prior to termination of employment as a
6 police officer and actual retirement while participating in the
7 DROP or before the member has received full withdrawal of the
8 amount in the member's DROP account under the installment
9 optional payment form, the remaining balance of the member's DROP
10 account shall be payable to the member's surviving spouse; or, if
11 the member is then unmarried, to the member's dependent children
12 in equal shares; or, if none, to the member's dependent mother or
13 father; or, if none, to the member's designated beneficiary or,
14 if no such beneficiary is then living, to the member's estate.
15 Payment shall be made in a lump sum within sixty days after
16 receipt by the board of trustees of evidence and proof of the
17 death of a member. In addition, the member's mandatory
18 contributions, if any, that were not already paid to the member
19 pursuant to subsection 4 of section 86.253 shall be paid to the
20 member's surviving spouse pursuant to section 86.288.

21 9. If a member [has elected to participate in the DROP and
22 during such participation period] applies for and receives
23 benefits for an accidental disability retirement allowance
24 pursuant to the provisions of section 86.263, the member shall
25 forfeit all rights, claims or interest in the member's DROP

1 account and the member's benefits shall be calculated as if the
2 member has continued in employment and had not elected to
3 participate in the DROP. Any portion of a DROP account that has
4 been forfeited as provided in this subsection shall be a general
5 asset of the system.

6 10. A member's DROP account shall earn interest equal to
7 the rate of return earned by the system's investment portfolio on
8 a market value basis, including realized and unrealized gains and
9 losses, net of investment expense, as certified by the system's
10 actuary. As of the last day of each plan year beginning after
11 DROP participation begins, the member's DROP account balance,
12 determined as of the last day of the prior plan year, shall be
13 credited with interest at the investment rate earned by the
14 assets of the retirement system for such prior plan year. If
15 distribution of the member's DROP account balance is made in a
16 lump sum under subsection 4 or 8 of this section, interest for
17 the plan year of distribution shall be credited on the ending
18 balance for the prior plan year at the investment rate earned on
19 the assets of the retirement system for the prior plan year, in
20 proportion to the part of the plan year preceding the date of the
21 member's termination of employment or death, whichever is
22 earlier. If the member's DROP account is paid in equal monthly
23 installments pursuant to subsection 4 of this section, interest
24 during the installment period shall be credited as of the last
25 day of each plan year ending after installment payment begins on

1 the account balance as of the first or last day of the plan year,
2 whichever is lower, at the investment rate earned by the assets
3 of the system for the prior plan year. Interest for the year in
4 which the final installment is paid shall be credited on the
5 balance remaining after the final installment is paid, at the
6 investment rate earned on the assets of the system for the prior
7 plan year, in proportion to the part of the plan year preceding
8 payment of the final installment. Any interest credited to the
9 DROP account during the installment period shall be paid as soon
10 as reasonably possible after the final monthly installment. No
11 interest shall be credited on amounts, if any, added to the
12 member's DROP account during the year in which the distribution
13 of the account is completed.

14 11. The board of trustees shall not incur any liability
15 individually or on behalf of other individuals for any act or
16 omission, made in good faith in relation to the DROP or assets
17 credited to DROP accounts established by this section. The
18 provisions of the [Internal Revenue Code] United States Internal
19 Revenue Code of 1986, as amended, and regulations promulgated
20 thereunder shall supersede any provision of this section if there
21 is any inconsistency with the [Internal Revenue Code] United
22 States Internal Revenue Code of 1986, as amended, or such
23 regulation.

24 12. Upon the receipt by the board of trustees of evidence
25 and proof that the death of a member resulted from an event

1 occurring while the member was in the actual performance of duty,
2 and if the member is participating in the DROP, the member's
3 surviving spouse or, if the member is then unmarried, the
4 member's unmarried dependent children, may elect within thirty
5 days after the member's death to have the amount in the member's
6 DROP account paid in the form of a monthly survivor annuity.
7 Payment of the survivor annuity shall begin within sixty days
8 after the election is received. Payment to the member's
9 surviving spouse shall continue until the surviving spouse's
10 death; payment to the member's unmarried dependent children shall
11 be made while any child qualifies as an unmarried dependent child
12 pursuant to section 86.280. The survivor annuity shall be the
13 actuarial equivalent of the member's DROP account as of the date
14 of the member's death. In no event shall the total amount paid
15 pursuant to this subsection be less than the member's DROP
16 account balance as of the date of the member's death.

17 86.394. Each member of the retirement board who is in
18 active service with the police department of a city as either a
19 police officer, as defined in section 86.370, or as an employee,
20 as defined in section 86.600, shall be granted authorized leave
21 with pay by such police department to attend any and all
22 educational seminars and like functions that have been authorized
23 by the retirement board, including travel time to and from such
24 functions, not to exceed ten days in any calendar year. Leave
25 granted under this section shall not reduce vacation or other

1 authorized leave time to which such member may be entitled
2 without reference to this section.

3 86.445. If a city and the police department of such city
4 adopt any program of incentives to authorize or encourage early
5 retirements, whether for employees not yet eligible for regular
6 retirement or for employees who are eligible but have not yet
7 chosen to retire or for both, the retirement board shall be
8 authorized to administer and pay such incentives for retirees who
9 accept such incentives and are members of this retirement system
10 pursuant to sections 86.370 to 86.497, in addition to such other
11 benefits as such members or their beneficiaries are entitled to
12 receive pursuant to sections 86.370 to 86.497 provided such city
13 shall so request and shall agree to increase the city's
14 contribution pursuant to section 86.477 sufficiently to provide
15 the full actuarial cost of any such incentives in addition to the
16 contribution required of such city necessary, in conjunction with
17 members' contributions pursuant to section 86.470, to provide all
18 other benefits provided pursuant to sections 86.370 to 86.497.

19 86.676. If a city and the police department of such city
20 adopt any program of incentives to authorize or encourage early
21 retirements, whether for employees not yet eligible for regular
22 retirement or for employees who are eligible but have not yet
23 chosen to retire or for both, the retirement board shall be
24 authorized to administer and pay such incentives for retirees who
25 accept such incentives and are members of this retirement system

1 pursuant to sections 86.600 to 86.790, in addition to such other
2 benefits as such members or their beneficiaries are entitled to
3 receive pursuant to sections 86.600 to 86.790, provided such city
4 shall so request and shall agree to increase said city's
5 contribution pursuant to section 86.760 sufficiently to provide
6 the full actuarial cost of any such incentives in addition to the
7 contribution required of such city necessary, in conjunction with
8 members' contribution pursuant to section 86.760, to provide all
9 other benefits provided pursuant to sections 86.600 to 86.790.

10 86.690. 1. Upon death after August 28, 2001, of a member
11 for any cause prior to retirement, the following amounts shall be
12 payable subject to subsection 5 of this section, as full and
13 final settlement of any and all claims for benefits under this
14 retirement system:

15 (1) If the member has less than five years of creditable
16 service, the member's surviving spouse shall be paid, in a lump
17 sum, the amount of accumulated contributions and interest. If
18 there be no surviving spouse, payment shall be made to the
19 member's designated beneficiary, or if none, to the executor or
20 administrator of the member's estate.

21 (2) If the member has at least five, but less than twenty
22 years of creditable service, the member's surviving spouse may
23 elect, in lieu of the lump sum settlement in subdivision (1) of
24 this subsection, an annuity. Such annuity shall be one-half of
25 the member's accrued annuity at date of death as computed in

1 section 86.650. The effective date of the election shall be the
2 latter of the first day of the month after the member's death or
3 attainment of what would have been the member's early retirement
4 date as provided in section 86.660.

5 (3) If the member has at least twenty years of creditable
6 service, the member's surviving spouse may elect, in lieu of the
7 lump sum settlement in subdivision (1) of this subsection, the
8 larger of the annuity as computed in subdivision (2) of this
9 subsection or an annuity determined on a joint and survivor's
10 basis from the actuarial value of the member's accrued annuity at
11 date of death.

12 (4) Any death of a retired member occurring before the date
13 of first payment of the retirement annuity shall be deemed to be
14 a death before retirement.

15 (5) Benefits payable pursuant to this section shall
16 continue for the lifetime of such surviving spouse without regard
17 to remarriage.

18 (6) No surviving spouse of a member who dies in service
19 after August 28, 2001, shall be entitled to receive any benefits
20 pursuant to sections 86.600 to 86.790 unless such spouse was
21 married to the member at the time of the member's death in
22 service.

23 2. Upon death following retirement for any cause after
24 August 28, 2001, of a member who has not elected the optional
25 annuity pursuant to section 86.650, the member's surviving spouse

1 shall receive a pension payable for life, equaling one-half of
2 the member's normal retirement allowance, computed under section
3 86.650, as of the member's actual retirement date, subject to
4 adjustments provided in subsection 5 of section 86.675, if any;
5 provided, no surviving spouse of a member who retires after
6 August 28, 2001, shall be entitled to receive any benefits
7 pursuant to sections 86.600 to 86.790 unless such spouse was
8 married to the member at the time of the member's retirement.

9 Any surviving spouse who was married to such a member at the time
10 of the member's retirement shall be entitled to all benefits for
11 surviving spouses pursuant to sections 86.600 to 86.790 for the
12 life of such surviving spouse without regard to remarriage. If
13 there be no surviving spouse, payment of the member's accumulated
14 contributions less the amount of any prior payments from the
15 retirement system to the member or to any beneficiary of the
16 member shall be made to the member's designated beneficiary or,
17 if none, to the personal representative of the member's estate.

18 3. Any surviving spouse of a member who dies in service or
19 retired prior to August 28, 2001, who otherwise qualifies for
20 benefits pursuant to subsection 1 or 2 of this section and who
21 has not remarried prior to August 28, 2001, but remarries
22 thereafter, shall upon application to the retirement board be
23 appointed by the retirement board as a special consultant on the
24 problems of retirement, aging and other matters, and upon request
25 of the retirement board shall give opinions in writing or orally

1 in response to such requests, as may be required. For such
2 services, such surviving spouse shall be compensated in an amount
3 equal to the benefits such spouse would have received pursuant to
4 sections 86.600 to 86.790 in the absence of such remarriage.

5 4. Should the total amount paid from the retirement system
6 to a member, the member's surviving spouse [and], any other
7 beneficiary of the member, and the funeral benefit under
8 subsection 6 of this section be less than the member's
9 accumulated contributions, an amount equal to such difference
10 shall be paid to the member's designated beneficiary or, if none,
11 to the personal representative of the member's estate, and such
12 payment shall constitute full and final payment of any and all
13 claims for benefits under the retirement system.

14 5. Any beneficiary of benefits pursuant to sections 86.600
15 to 86.790 who becomes the surviving spouse of more than one
16 member shall be paid all benefits due a surviving spouse of that
17 member whose entitlements produce the largest surviving spouse
18 benefits for such beneficiary but shall not be paid surviving
19 spouse benefits as the surviving spouse of more than one member,
20 except that any surviving spouse for whom an election has been
21 made for an optional annuity under subsection 2 of section 86.650
22 shall be entitled to every annuity for which such surviving
23 spouse has so contracted.

24 6. Upon receipt of the proper proof of death of a member in
25 service after August 28, 2003, or the death of a member in

1 service on or after August 28, 2003, who dies after having been
2 retired and pensioned, there shall be paid in addition to all
3 other benefits a funeral benefit of one thousand dollars.

4 104.010. 1. The following words and phrases as used in
5 sections 104.010 to 104.800, unless a different meaning is
6 plainly required by the context, shall mean:

7 (1) "Accumulated contributions", the sum of all deductions
8 for retirement benefit purposes from a member's compensation
9 which shall be credited to the member's individual account and
10 interest allowed thereon;

11 (2) "Active armed warfare", any declared war, or the Korean
12 or Vietnamese Conflict;

13 (3) "Actuarial equivalent", a benefit which, when computed
14 upon the basis of actuarial tables and interest, is equal in
15 value to a certain amount or other benefit;

16 (4) "Actuarial tables", the actuarial tables approved and
17 in use by a board at any given time;

18 (5) "Actuary", the actuary who is a member of the American
19 Academy of Actuaries or who is an enrolled actuary under the
20 Employee Retirement Income Security Act of 1974 and who is
21 employed by a board at any given time;

22 (6) "Annuity", annual payments, made in equal monthly
23 installments, to a retired member from funds provided for in, or
24 authorized by, this chapter;

25 (7) "Average compensation", the average compensation of a

1 member for the thirty-six consecutive months of service prior to
2 retirement when the member's compensation was greatest; or if the
3 member is on workers' compensation leave of absence or a medical
4 leave of absence due to an employee illness, the amount of
5 compensation the member would have received may be used, as
6 reported and verified by the employing department; or if the
7 member had less than thirty-six months of service, the average
8 annual compensation paid to the member during the period up to
9 thirty-six months for which the member received creditable
10 service when the member's compensation was the greatest; or if
11 the member is on military leave, the amount of compensation the
12 member would have received may be used as reported and verified
13 by the employing department or, if such amount is not
14 determinable, the amount of the employee's average rate of
15 compensation during the twelve-month period immediately preceding
16 such period of leave, or if shorter, the period of employment
17 immediately preceding such period of leave;

18 (8) "Beneficiary", any person entitled to or nominated by a
19 member or retiree who may be legally entitled to receive benefits
20 pursuant to this chapter;

21 (9) "Biennial assembly", the completion of no less than two
22 years of creditable service or creditable prior service by a
23 member of the general assembly;

24 (10) "Board of trustees", "board", or "trustees", a board
25 of trustees as established for the applicable system pursuant to

1 this chapter;

2 (11) "Chapter", sections 104.010 to 104.800;

3 (12) "Compensation":

4 (a) All salary and wages payable out of any state, federal,
5 trust, or other funds to an employee for personal services
6 performed for a department; but including only amounts for which
7 contributions have been made in accordance with section 104.436,
8 or section 104.070, whichever is applicable, and excluding any
9 nonrecurring single sum payments or amounts paid after the
10 member's termination of employment unless such amounts paid after
11 such termination are a final installment of salary or wages at
12 the same rate as in effect immediately prior to termination of
13 employment in accordance with a state payroll system adopted on
14 or after January 1, 2000, or any other one-time payments made as
15 a result of such payroll system;

16 (b) All salary and wages which would have been payable out
17 of any state, federal, trust or other funds to an employee on
18 workers' compensation leave of absence during the period the
19 employee is receiving a weekly workers' compensation benefit, as
20 reported and verified by the employing department;

21 (c) Effective December 31, 1995, compensation in excess of
22 the limitations set forth in Internal Revenue Code Section
23 401(a)(17) shall be disregarded. The limitation on compensation
24 for eligible employees shall not be less than the amount which
25 was allowed to be taken into account under the system as in

1 effect on July 1, 1993. For this purpose, an "eligible employee"
2 is an individual who was a member of the system before the first
3 plan year beginning after December 31, 1995;

4 (13) "Consumer price index", the Consumer Price Index for
5 All Urban Consumers for the United States, or its successor
6 index, as approved by a board, as such index is defined and
7 officially reported by the United States Department of Labor, or
8 its successor agency;

9 (14) "Creditable prior service", the service of an employee
10 which was either rendered prior to the establishment of a system,
11 or prior to the date the employee last became a member of a
12 system, and which is recognized in determining the member's
13 eligibility and for the amount of the member's benefits under a
14 system;

15 (15) "Creditable service", the sum of membership service
16 and creditable prior service, to the extent such service is
17 standing to a member's credit as provided in this chapter; except
18 that in no case shall more than one day of creditable service or
19 creditable prior service be credited any member for any one
20 calendar day of eligible service credit as provided by law;

21 (16) "Deferred normal annuity", the annuity payable to any
22 former employee who terminated employment as an employee or
23 otherwise withdrew from service with a vested right to a normal
24 annuity, payable at a future date;

25 (17) "Department", any department or agency of the

1 executive, legislative or judicial branch of the state of
2 Missouri receiving state appropriations, including allocated
3 funds from the federal government but not including any body
4 corporate or politic unless its employees are eligible for
5 retirement coverage from a system pursuant to this chapter as
6 otherwise provided by law;

7 (18) "Disability benefits", benefits paid to any employee
8 while totally disabled as provided in this chapter;

9 (19) "Early retirement age", a member's attainment of
10 fifty-five years of age and the completion of ten or more years
11 of creditable service, except for uniformed members of the water
12 patrol;

13 (20) "Employee":

14 (a) Any elective or appointive officer or person employed
15 by the state who is employed, promoted or transferred by a
16 department into a new or existing position and earns a salary or
17 wage in a position normally requiring the performance by the
18 person of duties during not less than one thousand hours per
19 year, including each member of the general assembly but not
20 including any patient or inmate of any state, charitable, penal
21 or correctional institution. Beginning September 1, 2001, the
22 term "year" as used in this subdivision shall mean the
23 twelve-month period beginning on the first day of employment.
24 However, persons who are members of the public school retirement
25 system and who are employed by a state agency other than an

1 institution of higher learning shall be deemed employees for
2 purposes of participating in all insurance programs administered
3 by a board established pursuant to section 104.450. This
4 definition shall not exclude any employee as defined in this
5 subdivision who is covered only under the federal Old Age and
6 Survivors' Insurance Act, as amended. As used in this chapter,
7 the term "employee" shall include:

8 a. Persons who are currently receiving annuities or other
9 retirement benefits from some other retirement or benefit fund,
10 so long as they are not simultaneously accumulating creditable
11 service in another retirement or benefit system which will be
12 used to determine eligibility for or the amount of a future
13 retirement benefit;

14 b. Persons who have elected to become or who have been made
15 members of a system pursuant to section 104.342;

16 (b) Any person who has performed services in the employ of
17 the general assembly or either house thereof, or any employee of
18 any member of the general assembly while acting in the person's
19 official capacity as a member, and whose position does not
20 normally require the person to perform duties during at least one
21 thousand hours per year, with a month of service being any
22 monthly pay period in which the employee was paid for full-time
23 employment for that monthly period;

24 (c) "Employee" does not include special consultants
25 employed pursuant to section 104.610;

1 (d) As used in this chapter, the hours governing the
2 definition of employee shall be applied only from August 13,
3 1988, forward;

4 (e) The system shall consider a person who is employed in
5 multiple positions simultaneously within a single agency to be
6 working in a single position for purposes of determining whether
7 the person is an employee as defined in this subdivision;

8 (21) "Employer", a department of the state;

9 (22) "Executive director", the executive director employed
10 by a board established pursuant to the provisions of this
11 chapter;

12 (23) "Fiscal year", the period beginning July first in any
13 year and ending June thirtieth the following year;

14 (24) "Full biennial assembly", the period of time beginning
15 on the first day the general assembly convenes for a first
16 regular session until the last day of the following year;

17 (25) "Fund", the benefit fund of a system established
18 pursuant to this chapter;

19 (26) "Interest", interest at such rate as shall be
20 determined and prescribed from time to time by a board;

21 (27) "Member", as used in sections 104.010 to 104.272 or
22 [104.600] 104.601 to 104.800 shall mean a member of the highways
23 and transportation employees' and highway patrol retirement
24 system without regard to whether or not the member has been
25 retired. "Member", as used in this section and sections 104.312

1 to 104.800, shall mean a member of the Missouri state employees'
2 retirement system without regard to whether or not the member has
3 been retired;

4 (28) "Membership service", the service after becoming a
5 member that is recognized in determining a member's eligibility
6 for and the amount of a member's benefits under a system;

7 (29) "Military service", all active service performed in
8 the United States Army, Air Force, Navy, Marine Corps, Coast
9 Guard, and members of the United States Public Health Service or
10 any women's auxiliary thereof; and service in the Army national
11 guard and Air national guard when engaged in active duty for
12 training, inactive duty training or full-time national guard
13 duty, and service by any other category of persons designated by
14 the President in time of war or emergency;

15 (30) "Normal annuity", the annuity provided to a member
16 upon retirement at or after the member's normal retirement age;

17 (31) "Normal retirement age", an employee's attainment of
18 sixty-five years of age and the completion of four years of
19 creditable service or the attainment of age sixty-five years of
20 age and the completion of five years of creditable service by a
21 member who has terminated employment and is entitled to a
22 deferred normal annuity or the member's attainment of age sixty
23 and the completion of fifteen years of creditable service, except
24 that normal retirement age for uniformed members of the highway
25 patrol shall be fifty-five years of age and the completion of

1 four years of creditable service and uniformed employees of the
2 water patrol shall be fifty-five years of age and the completion
3 of four years of creditable service or the attainment of age
4 fifty-five and the completion of five years of creditable service
5 by a member of the water patrol who has terminated employment and
6 is entitled to a deferred normal annuity and members of the
7 general assembly shall be fifty-five years of age and the
8 completion of three full biennial assemblies. Notwithstanding
9 any other provision of law to the contrary, a member of the
10 highways and transportation employees' and highway patrol
11 retirement system or a member of the Missouri state employees'
12 retirement system shall be entitled to retire with a normal
13 annuity and shall be entitled to elect any of the survivor
14 benefit options and shall also be entitled to any other
15 provisions of this chapter that relate to retirement with a
16 normal annuity if the sum of the member's age and creditable
17 service equals eighty years or more and if the member is at least
18 [fifty] forty-eight years of age;

19 (32) "Payroll deduction", deductions made from an
20 employee's compensation;

21 (33) "Prior service credit", the service of an employee
22 rendered prior to the date the employee became a member which
23 service is recognized in determining the member's eligibility for
24 benefits from a system but not in determining the amount of the
25 member's benefit;

1 (34) "Reduced annuity", an actuarial equivalent of a normal
2 annuity;

3 (35) "Retiree", a member who is not an employee and who is
4 receiving an annuity from a system pursuant to this chapter;

5 (36) "System" or "retirement system", the highways and
6 transportation employees' and highway patrol retirement system,
7 as created by sections 104.010 to 104.270, or sections [104.600]
8 104.601 to 104.800, or the Missouri state employees' retirement
9 system as created by sections 104.320 to 104.800;

10 (37) "Uniformed members of the highway patrol", the
11 superintendent, lieutenant colonel, majors, captains, director of
12 radio, lieutenants, sergeants, corporals, and patrolmen of the
13 Missouri state highway patrol who normally appear in uniform;

14 (38) "Uniformed members of the water patrol", employees of
15 the Missouri state water patrol of the department of public
16 safety who are classified as water patrol officers who have taken
17 the oath of office prescribed by the provisions of chapter 306,
18 RSMo, and who have those peace officer powers given by the
19 provisions of chapter 306, RSMo;

20 (39) "Vesting service", the sum of a member's prior service
21 credit and creditable service which is recognized in determining
22 the member's eligibility for benefits under the system.

23 2. Benefits paid pursuant to the provisions of this chapter
24 shall not exceed the limitations of Internal Revenue Code Section
25 415, the provisions of which are hereby incorporated by

1 reference.

2 104.040. 1. Any member shall be entitled to creditable
3 prior service within the meaning of sections 104.010 to 104.270
4 for all service in the United States Army, Navy, or other armed
5 services of the United States, or any women's auxiliary thereof
6 in time of active armed warfare, if such member was a state
7 employee immediately prior to his or her entry into the armed
8 services and became an employee of the state within ninety days
9 after termination of such service by an honorable discharge or
10 release to inactive status; the requirement of section 104.010 of
11 duties during not less than one thousand hours for status as an
12 "employee" shall not apply to persons who apply for creditable
13 prior service pursuant to the provisions of this section.

14 2. Any member of the system who served as an employee prior
15 to the original effective date of sections 104.010 to 104.270,
16 but was not an employee on that date, shall be entitled to
17 creditable prior service that such member would have been
18 entitled to had such member become a member of the retirement
19 system on the date of its inception if such member has, or
20 hereafter attains, one year of continuous membership service.

21 3. Any employee who completes one continuous year of
22 creditable service in the system shall receive credit for service
23 with a state department, if such service has not otherwise been
24 credited.

25 4. Any member who had served in the armed forces of the

1 United States prior to becoming a member, or who is otherwise
2 ineligible pursuant to subsection 1 of this section or other
3 provisions of this chapter, and who became a member after his or
4 her discharge under honorable conditions may elect, prior to
5 retirement, to purchase all of his or her creditable prior
6 service equivalent to such service in the armed forces, but not
7 to exceed four years, if the member is not receiving and is not
8 eligible to receive retirement credits or benefits from any other
9 public or private retirement plan for the service to be
10 purchased, and an affidavit so stating shall be filed by the
11 member with the retirement system. However, if the member is
12 eligible to receive retirement credits in a United States
13 military service retirement system, the member shall be permitted
14 to purchase creditable prior service equivalent to his or her
15 service in the armed services, but not to exceed four years, any
16 other provision of law to the contrary notwithstanding. The
17 purchase shall be effected by the member's paying to the
18 retirement system an amount equal to what would have been
19 contributed by the state in his or her behalf had the member been
20 a member for the period for which the member is electing to
21 purchase credit and had his or her compensation during such
22 period of membership been the same as the annual salary rate at
23 which the member was initially employed as a member, with the
24 calculations based on the contribution rate in effect on the date
25 of his or her employment with simple interest calculated from

1 date of employment from which the member could first receive
2 creditable service to the date of election pursuant to this
3 subsection. The payment shall be made over a period of not
4 longer than two years, measured from the date of election, and
5 with simple interest on the unpaid balance. Payments made for
6 such creditable prior service pursuant to this subsection shall
7 be treated by the retirement system as would contributions made
8 by the state and shall not be subject to any prohibition on
9 member contributions or refund provisions in effect at the time
10 of enactment of this subsection.

11 5. Any uniformed member of the highway patrol who served as
12 a certified police officer prior to becoming a member may elect,
13 prior to retirement, to purchase all of his or her creditable
14 prior service equivalent to such service in the police force, but
15 not to exceed four years, if he or she is not receiving and is
16 not eligible to receive credits or benefits from any other public
17 or private retirement plan for the service to be purchased, and
18 an affidavit so stating shall be filed by the member with the
19 retirement system. The purchase shall be effected by the
20 member's paying to the retirement system an amount equal to what
21 would have been contributed by the state in his or her behalf had
22 he or she been a member of the system for the period for which
23 the member is electing to purchase credit and had his
24 compensation during such period been the same as the annual
25 salary rate at which the member was initially employed as a

1 member, with the calculations based on the contribution rate in
2 effect on the date of his or her employment with simple interest
3 calculated from the date of employment from which the member
4 could first receive creditable service to the date of election
5 pursuant to the provisions of this section. The payment shall be
6 made over a period of not longer than two years, measured from
7 the date of election, and with simple interest on the unpaid
8 balance. Payments made for such creditable prior service
9 pursuant to the provisions of this section shall be treated by
10 the retirement system as would contributions made by the state
11 and shall not be subject to any prohibition on member
12 contributions or refund provisions in effect at the time of
13 enactment of this section.

14 6. Any uniformed member of the highway patrol who served as
15 a nonfederal full-time public employee in this state prior to
16 becoming a member may elect, prior to retirement, to purchase all
17 of his or her creditable prior service equivalent to such
18 service, but not to exceed four years, if he or she is not
19 receiving and is not eligible to receive credits or benefits from
20 any other public plan for the service to be purchased, and an
21 affidavit so stating shall be filed by the member with the
22 retirement system. The purchase shall be effected by the
23 member's paying to the retirement system an amount equal to what
24 would have been contributed by the state in his or her behalf had
25 he or she been a member of the system for the period for which

1 the member is electing to purchase credit and had his
2 compensation during such period been the same as the annual
3 salary rate at which the member was initially employed as a
4 member, with the calculations based on the contribution rate in
5 effect on the date of his or her employment with simple interest
6 calculated from the date of employment from which the member
7 could first receive creditable service to the date of election
8 pursuant to the provisions of this section. The payment shall be
9 made over a period of not longer than two years, measured from
10 the date of election, and with simple interest on the unpaid
11 balance. Payments made for such creditable prior service
12 pursuant to the provisions of this section shall be treated by
13 the retirement system as would contributions made by the state
14 and shall not be subject to any prohibition on member
15 contributions or refund provisions in effect at the time of
16 enactment of this section.

17 104.110. 1. Any employee, regardless of the length of time
18 of creditable service, who is affirmatively found by the board to
19 be wholly incapable of performing the duties of the employee's or
20 any other position in the employee's department for which the
21 employee is suited, shall be entitled to receive disability
22 benefits. The disability benefit provided by this subsection
23 shall equal one and six-tenths percent of the employee's average
24 compensation multiplied by the number of years of creditable
25 service of the member. Effective September 1, 2003, no employee

1 is eligible for or shall request or apply for the disability
2 benefit provided pursuant to this subsection.

3 2. Any uniformed member of the highway patrol, highway
4 patrol employee or department of transportation employee,
5 regardless of the length of time of creditable service, who is
6 found by the board to be disabled as a result of injuries
7 incurred in the performance of the employee's duties, shall be
8 entitled to receive an initial disability benefit in an amount
9 equal to seventy percent of the compensation that the employee
10 was receiving on the date preceding the date of disability;
11 provided, however, that the amount of the disability benefit,
12 plus any primary Social Security disability benefits received by
13 such member shall not exceed ninety percent of the monthly
14 compensation such member was receiving on the date preceding the
15 date of disability.

16 3. Any disability benefits payable pursuant to this section
17 shall be decreased by any amount paid to such member for periodic
18 disability benefits by reason of the workers' compensation laws
19 of this state. After termination of payment under workers'
20 compensation, however, disability benefits shall be paid in the
21 amount required by subsections 1, 2, 7, and 9 of this section.

22 4. The board of trustees may require a medical examination
23 of a disabled member at any time by a designated physician, and
24 benefits shall be discontinued if the board finds that such
25 member is able to perform the duties of the member's former

1 position or if such member refuses to submit to a medical
2 examination. Any employee who applies for disability benefits
3 provided pursuant to this section shall provide medical
4 certification acceptable to the board which shall include the
5 date the disability commenced and the expected duration of the
6 disability.

7 5. Any employee who applies for disability benefits
8 pursuant to subsections 2 and 7 of this section shall provide
9 proof of application for Social Security disability benefits. If
10 Social Security disability benefits are denied, the employee
11 shall also provide proof that the employee has requested
12 reconsideration, and upon denial of the reconsideration, that an
13 appeal process is prosecuted.

14 6. The disability benefits provided in this section shall
15 not be paid to any member who retains or regains earning capacity
16 as determined by the board. If a member who has been receiving
17 disability benefits again becomes an employee, the member's
18 disability benefits shall be discontinued.

19 7. The board shall also provide or contract for long-term
20 disability benefits for those members whose disability exists or
21 is diagnosed as being of such nature as to exist for more than
22 one year. The benefits provided or contracted for pursuant to
23 this subsection shall be in lieu of any other benefit provided in
24 this section. The eligibility requirements, benefit period and
25 amount of the disability benefits provided pursuant to this

1 subsection shall be established by the board.

2 8. Definitions of disability and other rules and procedures
3 necessary for administration of the disability benefits provided
4 pursuant to this section shall be established by the board.

5 9. Any member receiving disability benefits pursuant to
6 subsections 1 and 2 of this section shall receive the same
7 cost-of-living increases as granted to retired members pursuant
8 to section [104.130] 104.103.

9 10. The state highways and transportation commission shall
10 contribute the same amount as provided for all state employees
11 for any person receiving disability benefits pursuant to
12 subsection 2 of this section for medical insurance provided
13 pursuant to section 104.270.

14 11. Any member who qualified for disability benefits
15 pursuant to subsection 2 or subsection 7 of this section shall
16 continue to accrue normal annuity benefits based on the member's
17 rate of pay immediately prior to the date the member became
18 disabled in accordance with sections 104.090 and 104.615 as in
19 effect on the earlier of the date the member reaches normal
20 retirement age or the date normal annuity payments commence.

21 12. A member who continues to be disabled as provided in
22 subsection 2 or subsection 7 of this section shall continue to
23 accrue creditable service until the member reaches normal
24 retirement age. The maximum benefits period for benefits
25 pursuant to subsections 2 and 7 of this section shall be

1 established by the board. A member who is eligible to retire and
2 does retire while receiving disability benefits pursuant to
3 subsections 2 and 7 of this section shall receive the greater of
4 the normal annuity or the minimum annuity determined pursuant to
5 sections 104.090 and 104.615, as if the member had continued in
6 the active employ of the employer until the member's normal
7 retirement age and the member's compensation for such period had
8 been the member's rate of pay immediately preceding the date the
9 member became disabled.

10 13. Any member who was receiving disability benefits from
11 the board prior to August 28, 1997, or any member who has
12 submitted an application for disability benefits before August
13 28, 1997, and would have been eligible to receive benefits
14 pursuant to the eligibility requirements which were applicable at
15 the time of application shall be eligible to receive or shall
16 continue to receive benefits in accordance with such prior
17 eligibility requirements until the member again becomes an
18 employee.

19 14. Any member receiving disability benefits pursuant to
20 subsection 1, subsection 2 or subsection 7 of this section shall
21 be eligible to receive death benefits pursuant to the provisions
22 of subsection 1 of section 104.140. The death benefits provided
23 pursuant to this subsection shall be in lieu of the death
24 benefits available to the member pursuant to subsection 2 of
25 section 104.140.

1 15. The board is authorized to contract for benefits in
2 lieu of the benefits provided pursuant to [subsections 1 and 2
3 of] this section.

4 16. To the extent that the board enters or has entered into
5 any contract with any insurer or service organization to provide
6 the disability benefits provided for pursuant to this section:

7 (1) The obligation to provide such disability benefits
8 shall be primarily that of the insurer or service organization
9 and secondarily that of the board;

10 (2) Any employee who has been denied disability benefits by
11 the insurer or service organization and has exhausted all appeal
12 procedures provided by the insurer or service organization may
13 appeal such decision by filing a petition against the insurer or
14 service organization in a court of law in the employee's county
15 of residence;

16 (3) The board and the system shall not be liable for the
17 disability benefits provided for by an insurer or service
18 organization pursuant to this section and shall not be subject to
19 any cause of action with regard to disability benefits or the
20 denial of disability benefits by the insurer or service
21 organization unless the employee has obtained judgment against
22 the insurer or service organization for disability benefits and
23 the insurer or service organization is unable to satisfy that
24 judgment.

25 17. An employee may elect to waive the receipt of any

1 disability benefit provided for pursuant to this section at any
2 time.

3 104.271. Notwithstanding any other provision of law to the
4 contrary, a member of the Missouri transportation department and
5 highway patrol retirement system or a member of the Missouri
6 state employees' retirement system shall be entitled to retire
7 with a normal annuity and shall be entitled to elect any of the
8 survivor benefit options and shall also be entitled to any other
9 provisions of this chapter that relate to retirement with a
10 normal annuity if the sum of the member's age and creditable
11 service equals eighty years or more and if the member is at least
12 [fifty] forty-eight years of age.

13 104.340. 1. Any member, on the first day of the first
14 month following the original effective date of sections 104.310
15 to 104.540, September 1, 1957, shall be entitled to creditable
16 prior service for the purpose of sections 104.310 to 104.620 for
17 all active military service performed in the United States Army,
18 Air Force, Navy, Marine Corps, Coast Guard and members of the
19 United States Public Health Service when in the active military
20 service, or any women's auxiliary thereof in time of active armed
21 warfare, if such member was a state employee immediately prior to
22 the member's entry into the armed services and became an employee
23 of the state within ninety days after termination of such service
24 under honorable conditions or release to inactive status in a
25 reserve component of the armed forces. This includes:

1 (1) Members of the reserve component of the armed forces
2 (National Guard of the United States, United States Army Reserve,
3 Air National Guard of the United States, United States Air Force
4 Reserve, United States Naval Reserve, United States Marine Corps
5 Reserve, United States Coast Guard);

6 (2) Reserve components existing prior and subsequent to the
7 original effective date of sections 104.310 to 104.540; and

8 (3) The reserve of the United States Public Health Service,
9 while in the active military service of the United States.

10 2. Any former full-time employee of a state board, whether
11 unassigned or assigned to the governor, who becomes a member
12 within one year of termination of employment with the board,
13 shall be entitled to creditable prior service not to exceed eight
14 years for service rendered, provided the member had not become
15 vested in a city or county retirement system and has or attains
16 one or more years of continuous service.

17 3. Notwithstanding any other provision of law to the
18 contrary, any employee of a political subdivision who becomes a
19 state employee, or gains eligibility to become a member, by an
20 act, or acts, of the general assembly after August 13, 1986,
21 making such employment state employment shall be entitled only to
22 prior service credit for such employment with a political
23 subdivision. Such prior service credit, which cannot exceed
24 eight years, shall be used in the determination of eligibility
25 for benefits pursuant to the provisions of sections 104.310 to

1 104.612 but not in determining the amount of benefits, if the
2 person makes application to the board for such prior service
3 credit within ninety days of becoming a member of the Missouri
4 state employees' retirement system, and establishes such service
5 to the satisfaction of the board; except that such prior service
6 credit shall not be used for the purposes of computing the
7 minimum benefit provided by section 104.615.

8 4. Any member who had performed active service in the
9 United States Army, Air Force, Navy, Marine Corps, Army or Air
10 National Guard, Coast Guard, or any reserve component thereof
11 prior to last becoming a member, or who is otherwise ineligible
12 under subsection 1 of this section or other provisions of this
13 chapter, and who became a member after the person's discharge
14 under honorable conditions may elect, prior to retirement, to
15 purchase all of the member's creditable prior service equivalent
16 to such service in the armed forces, but not to exceed four
17 years, provided the person is not receiving and is not eligible
18 to receive retirement credits or benefits from any other public
19 or private retirement plan for the service to be purchased[, and
20 an affidavit so stating shall be filed by the member with the
21 retirement system]. However, if the member is eligible to
22 receive retirement credits in a United States military service
23 retirement system, the member shall be permitted to purchase
24 creditable prior service equivalent to such service in the armed
25 forces, but not to exceed four years, any other provision of law

1 to the contrary notwithstanding. The purchase shall be effected
2 by the member's submission of appropriate documentation verifying
3 the member's dates of active service and by paying to the
4 retirement system an amount equal to what would have been
5 contributed by the state in the member's behalf had the member
6 been a member for the period for which the member is electing to
7 purchase credit and had the member's compensation during such
8 period of membership been the same as the annual salary rate at
9 which the member was initially employed by a department, with the
10 calculations based on the contribution rate in effect on the date
11 of employment with simple interest calculated from the date of
12 employment from which the member could first receive creditable
13 service to the date of election under this subsection. The
14 payment shall be made over a period of not longer than two years,
15 measured from the date of election, and with simple interest on
16 the unpaid balance. Payments made for such creditable prior
17 service under this subsection shall be treated by the retirement
18 system as would contributions made by the state and shall not be
19 subject to any prohibition on member contributions or refund
20 provisions in effect at the time of enactment of this subsection.

21 5. Any member who terminated employment prior to August 13,
22 1986, who had served in the armed forces of the United States
23 prior to becoming a member, or who is otherwise ineligible
24 pursuant to subsection 1 of this section or other provisions of
25 this chapter, and who became a member after the person's

1 discharge under honorable conditions shall, upon application to
2 the board of trustees of the Missouri state employees' retirement
3 system, be made, constituted and appointed and employed by the
4 board as a special consultant on the problems of retirement,
5 aging and other state matters for the remainder of the person's
6 life. Upon request of the board of the system or the court from
7 which the person retired, the consultant shall give opinions or
8 be available to give opinions in writing or orally in response to
9 such requests. As compensation for such services, the consultant
10 shall be eligible to purchase, prior to retirement, creditable
11 prior service as provided in this subsection.

12 6. Any member who is an employee on or after June 30, 1988,
13 shall be entitled to creditable prior service for all full-time
14 service rendered at Lincoln University prior to June 30, 1988, if
15 such service is established to the satisfaction of the board,
16 provided such member elects in writing to forfeit all rights
17 accrued under the Lincoln University retirement plan for such
18 service, and provided such service is not now credited the member
19 under the Missouri state employees' retirement system.

20 7. Any person who is an employee on or after August 28,
21 1989, and who has been denied credit for any service because the
22 person was a member of some other retirement system or benefit
23 fund to which the state was a contributor shall receive
24 creditable prior service for all the service rendered which would
25 have otherwise been earned during such period of service by the

1 person except for the denial of credit; however, in no event
2 shall any person receive service credit for the same period of
3 service under more than one retirement system.

4 8. Upon application to the board, any member or former
5 member not yet retired previously employed by the Missouri
6 institute of psychiatry prior to July 1, 1974, and who by virtue
7 of such employment was a member of a retirement system or plan
8 other than the Missouri state employees' retirement system but
9 did not become vested in that system or plan shall receive
10 creditable prior service for such service, provided that such
11 service is not used for the calculation of benefits under any
12 other retirement system or plan, excluding Social Security, and
13 that such service is established to the satisfaction of the
14 board.

15 9. Any retired member previously employed by the Missouri
16 institute of psychiatry prior to July 1, 1974, and who by virtue
17 of such employment was a member of a retirement system or plan
18 other than the Missouri state employees' retirement system but
19 did not become vested in that system or plan may make application
20 to be made, constituted, appointed, and employed by the board as
21 a special consultant on the problems of retirement, aging and
22 other state matters. As compensation the special consultant
23 shall receive beginning the month next following such appointment
24 an amount equal to the retirement benefit the member would have
25 been receiving had such service been included in the original

1 retirement benefit calculation, provided that such service is not
2 used for the calculation of benefits under any other retirement
3 system or plan, excluding Social Security, and that such service
4 is established to the satisfaction of the board.

5 10. Notwithstanding any other provisions of law to the
6 contrary, if a former employee terminated employment before
7 January 1, 1988, and such former employee had also served as a
8 board member pursuant to the provisions of section 329.190, RSMo,
9 such former employee shall upon application to the board of
10 trustees of the Missouri state employees' retirement system be
11 made a special consultant on the problems of retirement and shall
12 upon request of the board of trustees give opinions in writing or
13 orally in response to such request. As compensation for such
14 services, the former employee shall receive creditable service
15 for all time the former employee was employed by the state and
16 the time the former employee served on the board pursuant to the
17 provisions of section 329.190, RSMo, provided that such service
18 is not used for vesting in any other public employee retirement
19 system.

20 104.370. 1. Any member of the general assembly who has
21 served at least three full biennial assemblies as a member of the
22 general assembly and who meets the conditions for retirement at
23 or after the member's normal retirement age shall be entitled to
24 a normal annuity in a monthly amount equal to one hundred fifty
25 dollars multiplied by the number of biennial assemblies in which

1 such member has served. For the purpose of calculating benefits
2 due under this subsection:

3 (1) Service in any portion of a biennial assembly after
4 service in at least three biennial assemblies shall be credited
5 as service in a full biennial assembly; and

6 (2) Any person who is elected as a member of the general
7 assembly at a special election and who serves the remainder of
8 that term to which he was elected at such special election shall
9 receive credit for a full biennial assembly for such service.

10 2. If a member of either retirement system established by
11 this chapter, who has served at least three full biennial
12 assemblies as a member of the general assembly, is elected to a
13 state office, appointed to a state office, or employed by the
14 state before, after, or before and after his service as a member
15 of the general assembly, the member may, at the end of such
16 employment, receive upon retirement, at or after the member's
17 normal retirement age, the amount which shall be due the member
18 for creditable service as a member of the general assembly. If
19 he has not fully vested as a result of his employment as other
20 than a member of the general assembly, he shall be credited with
21 additional service as a legislator just as though all of the
22 service combined had in fact been rendered as a member of the
23 general assembly and receive a normal annuity. If the member
24 retires before normal retirement age, the member shall receive
25 the actuarial reduction approved by the board. Nothing in this

1 section shall allow any member to simultaneously accumulate
2 service in more than one state retirement system as a member of
3 the general assembly and an employee or state officer; provided
4 that, any member who otherwise would accrue simultaneous
5 creditable service as a member of the general assembly and as an
6 employee or state officer, may elect prior to retirement to
7 receive such simultaneous creditable service in the state
8 retirement plan that covered the member's service as an employee
9 or state officer in lieu of receiving such creditable service as
10 a member of the general assembly pursuant to subdivision (1) of
11 subsection 1 of this section. Any member who makes such election
12 shall receive creditable service for the member's remaining
13 legislative service equal to the pro rata portion of the biennial
14 assembly actually served by such member. The provisions of this
15 subsection providing an election with regard to simultaneous
16 creditable service shall apply to any member of the general
17 assembly who is employed on or after August 28, 2003, or any
18 former member of the general assembly who is employed as an
19 employee or state officer on or after August 28, 2003. The term
20 "state officer" as used in this subsection includes a statewide
21 elected official as described in section 104.371, an
22 administrative law judge or legal advisor as defined in section
23 287.812, RSMo, or a judge as defined in section 476.515, RSMo.

24 3. A member who has fully vested as a state officer or
25 employee and has service as a member of the general assembly of

1 less than three full biennial assemblies, upon retirement, at or
2 after the member's normal retirement age, shall be credited with
3 additional service as a state officer or employee for the time he
4 served as a member of the general assembly. If the member
5 retires before normal retirement age, he shall receive the
6 actuarial reduction approved by the board.

7 4. Any member of the general assembly who has served at
8 least three full biennial assemblies and whose service as such
9 terminates on or after October 1, 1984, and who served as an
10 employee, as that term is defined in section 104.010, prior to
11 the respective dates on which the retirement systems to which
12 such sections apply originally became effective, but was not such
13 an employee on such dates, shall be entitled to the creditable
14 prior service that such employee would have been entitled to in
15 either or both systems had such employee become a member on the
16 date of inception of either or both systems. The maximum number
17 of years of creditable prior service to which a member may become
18 entitled pursuant to this section is less than ten years. The
19 benefits attributable to such service shall be calculated as if
20 all service was rendered as a member of the general assembly.

21 5. Any former member of the general assembly who is
22 receiving benefits under the provisions of this section shall,
23 upon written request to the board, be made, constituted,
24 appointed and employed by the board as a special consultant on
25 the problems of retirement and other related matters and shall

1 upon request of the board give opinions in writing or orally in
2 response to such requests. As compensation for such services,
3 the retired member shall have his retirement benefits
4 recalculated the first of the month next following his
5 application under this subsection to reflect that any portion of
6 a year of creditable service shall be counted as one full
7 biennial session.

8 6. Any retired member who is receiving benefits from the
9 system and is elected to the general assembly but does not serve
10 at least three biennial sessions shall receive creditable service
11 for the time he served in the general assembly and upon leaving
12 the general assembly shall have an additional benefit calculated
13 using such service.

14 7. Benefits paid for service credited to legislative
15 service shall be funded as provided in section 104.436.

16 8. Any former member of the general assembly not retired on
17 August 28, 1994, who is fifty-five years of age or more and who
18 has creditable service in the general assembly of at least three
19 full biennial assemblies and has not used such services as
20 creditable services in any other retirement system shall be made
21 and employed by the board as a special consultant on the problems
22 related to retirement and shall, when requested by the board,
23 give opinions either written or orally on such problems. As
24 compensation for such duties the former member of the general
25 assembly shall be entitled to retire with a normal annuity

1 effective the first of the month following receipt by the board
2 of a written application.

3 9. Notwithstanding any other law to the contrary, any
4 active member of the Missouri state employees' retirement system
5 who is vested, on August 28, 1994, under the provisions of
6 subsection 1 of this section, and who has served as an elected
7 county official and who, by virtue of such service was a member
8 of a retirement system other than the Missouri state employees'
9 retirement system but was not vested in such other retirement
10 system, or was not a member of any retirement system, shall
11 receive creditable prior service in the Missouri state employees'
12 retirement system for such previous service as an elected county
13 official.

14 104.460. 1. The board shall elect by secret ballot one
15 member as chairman and one member as vice chairman [in January]
16 during the first board meeting of each year. The chairman shall
17 preside over meetings of the board and perform such other duties
18 as may be required by action of the board. The vice chairman
19 shall perform the duties of the chairman in the absence of the
20 latter or upon the chairman's inability or refusal to act. Each
21 person who was elected to membership on the board of trustees or
22 who is a candidate for membership on the board of trustees shall
23 file with the [commissioner of administration] Missouri ethics
24 commission a campaign finance disclosure form showing:

25 (1) The amounts and sources of all contributions received

1 for the purpose of supporting such person's candidacy or for the
2 purpose of opposing any other candidate; and

3 (2) The amounts and recipients of all expenditures made for
4 the purpose of supporting such person's candidacy or for the
5 purpose of opposing any other candidate.

6 The disclosure reports shall be filed not later than the
7 fifteenth day prior to the date of the election for the period
8 closing on the twentieth day prior to the election, and not later
9 than the thirtieth day after the date of the election for the
10 period from the nineteenth day prior to the date of the election
11 to the twenty-fifth day after the date of the election. Such
12 reports shall be public records and shall be made available by
13 the [commissioner of administration] Missouri ethics commission
14 during normal business hours. Any person who purposefully fails
15 or refuses to file the reports required by this subsection is
16 guilty of a class A misdemeanor.

17 2. The board shall appoint an executive director who shall
18 be the executive officer of the system and who shall have charge
19 of the offices, records, and employees of the system, subject to
20 the direction of the board. Other employees of the system shall
21 be chosen only upon the recommendation of the executive director.

22 3. All employees of the system shall be both state
23 employees and members of the system. Except by the unanimous
24 vote of the board, no person who has served as a trustee of the

1 board may become an employee of the system until four years have
2 expired between the date of his or her resignation, termination,
3 or other removal as trustee and the date of his or her
4 appointment as an employee of the system.

5 4. Employees of the system shall receive such salaries as
6 shall be fixed by the board and their necessary travel expense
7 within and without the state as shall be authorized by the board.

8 5. Any summons or other writ issued by the courts of the
9 state shall be served upon the executive director or, in his or
10 her absence, on the executive director's designee.

11 104.517. 1. The board shall provide or contract, or both,
12 for life insurance benefits for employees pursuant to sections
13 104.320 to 104.540, persons covered by sections 287.812 to
14 287.855, RSMo, and for employees who are members of the judicial
15 retirement system as provided in section 476.590, RSMo, and at
16 the election of the state highways and transportation commission
17 shall include employees who are members of the state
18 transportation department employees' and highway patrol
19 retirement system [as follows:

20 (1)]. Employees are entitled to fifteen thousand dollars of
21 life insurance until December 31, 2000. Effective January 1,
22 2001, the system shall provide or contract or both for basic life
23 insurance for employees covered under any retirement plan
24 administered by the system pursuant to this chapter, persons
25 covered by sections 287.812 to 287.856, RSMo, for employees who

1 are members of the judicial retirement system as provided in
2 section 476.590, RSMo, and, at the election of the state highways
3 and transportation commission, employees who are members of the
4 highways and transportation employees' and highway patrol
5 retirement system, in an amount equal to one times annual pay,
6 subject to a minimum amount of fifteen thousand dollars. The
7 board shall establish by rule or contract the method for
8 determining the annual rate of pay and any other terms of such
9 insurance as it deems necessary to implement the requirements
10 pursuant to this section. Annual rate of pay shall not include
11 overtime or any other irregular payments as determined by the
12 board. Such life insurance shall provide for triple indemnity in
13 the event the cause of death is a proximate result of a personal
14 injury or disease arising out of and in the course of actual
15 performance of duty as an employee.

16 2. A conversion of such life insurance benefits shall be
17 available. However, a member eligible to receive a lump sum death
18 benefit as provided in subsection 4 of section 104.515 shall be
19 entitled to convert any amount of terminated life insurance
20 benefit in excess of the benefit provided in said section.

21 3. (1) In addition to the life insurance authorized by the
22 provisions of subsection 1 of this section, any person for whom
23 life insurance is provided or contracted for pursuant to such
24 subsection may purchase, at the person's own expense and only if
25 monthly voluntary payroll deductions are authorized, additional

1 life insurance at a cost to be stipulated in a contract with a
2 private insurance company or as may be required by the system if
3 the board of trustees determines that the system should provide
4 such insurance itself. The maximum amount of additional life
5 insurance which may be so purchased on or after January 1, 1998,
6 but prior to January 1, 2004, is that amount which equals six
7 times the amount of the person's annual rate of pay, except that
8 if such maximum amount is not evenly divisible by one thousand
9 dollars, then the maximum amount of additional insurance which
10 may be purchased is the next higher amount evenly divisible by
11 one thousand dollars. The maximum amount of additional life
12 insurance which may be so purchased on or after January 1, 2004,
13 is an amount to be stipulated in a contract with a private
14 insurance company or as may be required by the system if the
15 board of trustees determines that the system should provide the
16 insurance itself. The selection of a private insurance company
17 to provide this life insurance shall be on the basis of
18 competitive bidding.

19 (2) Any person defined in subdivision (1) of this
20 subsection retiring on or after September 1, 1988, may retain an
21 amount not to exceed ten thousand dollars of life insurance
22 following the date of his or her retirement if such person makes
23 written application for such life insurance at the same time such
24 person's application is made to the board for retirement
25 benefits. Any person, defined in subdivision (1) of this

1 subsection, retiring on or after May 1, 1996, may retain an
2 amount not to exceed sixty thousand dollars of life insurance
3 following the date of the person's retirement if such person
4 makes written application for such life insurance at the same
5 time such person applies to the board for retirement benefits.
6 Such life insurance shall only be provided if such person pays
7 the entire cost of the insurance, as determined by the board, by
8 allowing voluntary deductions from the member's monthly
9 retirement benefits.

10 (3) Effective January 1, 1998, in addition to the life
11 insurance authorized in subsection 1 of this section, any person
12 for whom life insurance is provided or contracted for pursuant to
13 such subsection may purchase, at the person's own expense and
14 only if monthly voluntary payroll deductions are authorized, life
15 insurance covering the person's children or the person's spouse
16 or both the person's children and the person's spouse at coverage
17 amounts to be determined by the board at a cost to be stipulated
18 in a contract with a private insurance company or as may be
19 required by the system if the board of trustees determines that
20 the system should provide such insurance itself.

21 4. The highways and transportation employees' and highway
22 patrol retirement system shall provide or contract or both for
23 the death benefit for special consultants in subsection 4 of
24 section 104.515. The highways and transportation employees' and
25 highway patrol retirement system may request the state highways

1 and transportation commission to administer the death benefit.

2 If the state highways and transportation commission accepts the
3 obligation to administer the death benefit, the highways and
4 transportation employees' and highway patrol retirement system
5 shall reimburse the state highways and transportation commission
6 for any costs or expenses of administering the death benefit.

7 5. To the extent that the board enters or has entered into
8 any contract with any insurer or service organization to provide
9 life insurance provided for pursuant to this section:

10 (1) The obligation to provide such life insurance shall be
11 primarily that of the insurer or service organization and
12 secondarily that of the board;

13 (2) Any member who has been denied life insurance benefits
14 by the insurer or service organization and has exhausted all
15 appeal procedures provided by the insurer or service organization
16 may appeal such decision by filing a petition against the insurer
17 or service organization in a court of law in the member's county
18 of residence;

19 (3) The board and the system shall not be liable for life
20 insurance benefits provided by an insurer or service organization
21 pursuant to this section and shall not be subject to any cause of
22 action with regard to life insurance benefits or the denial of
23 life insurance benefits by the insurer or service organization
24 unless the member has obtained judgment against the insurer or
25 service organization for life insurance benefits and the insurer

1 or service organization is unable to satisfy that judgment.

2 104.806. 1. Employees who are earning creditable service
3 in the closed plan of the Missouri state employees' retirement
4 system and who are transferred to the department of
5 transportation as a result of the provisions of executive order
6 03-05, will not become members of the closed plan of the highways
7 and transportation employees' and highway patrol retirement
8 system unless they elect to transfer membership and creditable
9 service to the closed plan of the highways and transportation
10 employees' and highway patrol retirement system. The election
11 must be in writing and must be made within ninety days of July 1,
12 2003. Any election to transfer membership and creditable service
13 to the highways and transportation employees' and highway patrol
14 retirement system shall result in the forfeiture of any rights or
15 benefits in the Missouri state employees' retirement system. Any
16 failure to elect to transfer membership and creditable service
17 pursuant to this subsection will result in the employees
18 remaining in the closed plan of the Missouri state employees'
19 retirement system. If an election is made, the effective date
20 for commencement of membership and transfer of such creditable
21 service shall be January 1, 2004.

22 2. Employees who are earning credited service in the year
23 2000 plan of the Missouri state employees' retirement system and
24 who are transferred to the department of transportation as a
25 result of the provisions of executive order 03-05 will remain in

1 the year 2000 plan administered by the Missouri state employees'
2 retirement system unless they elect to transfer membership and
3 credited service to the year 2000 plan administered by the
4 highways and transportation employees' and highway patrol
5 retirement system. The election must be in writing and must be
6 made within ninety days of July 1, 2003. Any election to
7 transfer membership and credited service to the year 2000 plan
8 administered by the highways and transportation employees' and
9 highway patrol retirement system shall result in the forfeiture
10 of any rights or benefits in the Missouri state employees'
11 retirement system. Any failure to elect to transfer membership
12 and credited service pursuant to this subsection will result in
13 the employees remaining in the year 2000 plan administered by the
14 Missouri state employees' retirement system. If an election is
15 made, the effective date for commencement of membership and
16 transfer of such creditable service shall be January 1, 2004.

17 3. For any employee who elects pursuant to subsection 1 or
18 2 of this section to transfer to the highways and transportation
19 employees' and highway patrol retirement system, the Missouri
20 state employees' retirement system shall pay to the highways and
21 transportation employees' and highway patrol retirement system,
22 by December 31, 2003, an amount actuarially determined to equal
23 the liability at the time of the transfer to the extent that
24 liability is funded as of the most recent actuarial valuation,
25 not to exceed one hundred percent.

1 4. In no event shall any employee receive service credit
2 for the same period of service under more than one retirement
3 system as a result of the provisions of this section.

4 5. For any transferred employee who elects pursuant to
5 subsection 1 or 2 of this section to transfer to the highways and
6 transportation employees' and highway patrol retirement system,
7 the only medical coverage available for the employee shall be the
8 medical coverage provided in section 104.270. The effective date
9 for commencement of medical coverage shall be January 1, 2004.
10 However, this does not preclude medical coverage for the
11 transferred employee as a dependent under any other health care
12 plan.

13 104.1003. Unless a different meaning is plainly required by
14 the context, the following words and phrases as used in sections
15 104.1003 to 104.1093 shall mean:

16 (1) "Act", the "Year 2000 Plan" created by sections
17 104.1003 to 104.1093;

18 (2) "Actuary", an actuary who is experienced in retirement
19 plan financing and who is either a member of the American Academy
20 of Actuaries or an enrolled actuary under the Employee Retirement
21 Income Security Act of 1974;

22 (3) "Annuity", annual benefit amounts, paid in equal
23 monthly installments, from funds provided for in, or authorized
24 by, sections 104.1003 to 104.1093;

25 (4) "Annuity starting date" means the first day of the

1 first month with respect to which an amount is paid as an annuity
2 pursuant to sections 104.1003 to 104.1093;

3 (5) "Beneficiary", any person or entity entitled to receive
4 an annuity or other benefit pursuant to sections 104.1003 to
5 104.1093 based upon the employment record of another person;

6 (6) "Board of trustees", "board", or "trustees", a
7 governing body or bodies established for the year 2000 plan
8 pursuant to sections 104.1003 to 104.1093;

9 (7) "Closed plan", a benefit plan created pursuant to this
10 chapter and administered by a system prior to July 1, 2000. No
11 person first employed on or after July 1, 2000, shall become a
12 member of the closed plan, but the closed plan shall continue to
13 function for the benefit of persons covered by and remaining in
14 the closed plan and their beneficiaries;

15 (8) "Consumer price index", the Consumer Price Index for
16 All Urban Consumers for the United States, or its successor
17 index, as approved by the board, as such index is defined and
18 officially reported by the United States Department of Labor, or
19 its successor agency;

20 (9) "Credited service", the total credited service to a
21 member's credit as provided in sections 104.1003 to 104.1093;

22 (10) "Department", any department or agency of the
23 executive, legislative, or judicial branch of the state of
24 Missouri receiving state appropriations, including allocated
25 funds from the federal government but not including any body

1 corporate or politic unless its employees are eligible for
2 retirement coverage from a system pursuant to this chapter as
3 otherwise provided by law;

4 (11) "Early retirement eligibility", a member's attainment
5 of fifty-seven years of age and the completion of at least five
6 years of credited service;

7 (12) "Effective date", July 1, 2000;

8 (13) "Employee" shall be any person who is employed by a
9 department and is paid a salary or wage by a department in a
10 position normally requiring the performance of duties of not less
11 than one thousand hours per year, provided:

12 (a) The term "employee" shall not include any patient or
13 inmate of any state, charitable, penal or correctional
14 institution, or any person who is employed by a department in a
15 position that is covered by a state-sponsored defined benefit
16 retirement plan not created by this chapter;

17 (b) The term "employee" shall be modified as provided by
18 other provisions of sections 104.1003 to 104.1093;

19 (c) The system shall consider a person who is employed in
20 multiple positions simultaneously within a single agency to be
21 working in a single position for purposes of determining whether
22 the person is an employee as defined in this subdivision;

23 (d) Beginning September 1, 2001, the term "year" as used in
24 this subdivision shall mean the twelve-month period beginning on
25 the first day of employment;

1 (14) "Employer", a department;

2 (15) "Executive director", the executive director employed
3 by a board established pursuant to the provisions of sections
4 104.1003 to 104.1093;

5 (16) "Final average pay", the average pay of a member for
6 the thirty-six full consecutive months of service before
7 termination of employment when the member's pay was greatest; or
8 if the member was on workers' compensation leave of absence or a
9 medical leave of absence due to an employee illness, the amount
10 of pay the member would have received but for such leave of
11 absence as reported and verified by the employing department; or
12 if the member was employed for less than thirty-six months, the
13 average monthly pay of a member during the period for which the
14 member was employed;

15 (17) "Fund", a fund of the year 2000 plan established
16 pursuant to sections 104.1003 to 104.1093;

17 (18) "Investment return", or "interest", rates as shall be
18 determined and prescribed from time to time by a board;

19 (19) "Member", a person who is included in the membership
20 of the system, as set forth in section 104.1009;

21 (20) "Normal retirement eligibility", a member's attainment
22 of at least sixty-two years of age and the completion of at least
23 five or more years of credited service or, the attainment of at
24 least [fifty] forty-eight years of age with a total of years of
25 age and years of credited service which is at least eighty or, in

1 the case of a member of the highway patrol who shall be subject
2 to the mandatory retirement provisions of section 104.080, the
3 mandatory retirement age and completion of five years of credited
4 service or, the attainment of at least [fifty] forty-eight years
5 of age with a total of years of age and years of credited service
6 which is at least eighty;

7 (21) "Pay" shall include:

8 (a) All salary and wages payable to an employee for
9 personal services performed for a department; but excluding:

10 a. Any amounts paid after an employee's employment is
11 terminated, unless the payment is made as a final installment of
12 salary or wages at the same rate as in effect immediately prior
13 to termination of employment in accordance with a state payroll
14 system adopted on or after January 1, 2000;

15 b. Any amounts paid upon termination of employment for
16 unused annual leave or unused sick leave;

17 c. Pay in excess of the limitations set forth in Section
18 401(a)(17) of the Internal Revenue Code of 1986 as amended and
19 other applicable federal laws or regulations; and

20 d. Any nonrecurring single sum payments;

21 (b) All salary and wages which would have been payable to
22 an employee on workers' compensation leave of absence during the
23 period the employee is receiving a weekly workers' compensation
24 benefit, as reported and verified by the employing department;

25 (c) All salary and wages which would have been payable to

1 an employee on a medical leave due to employee illness, as
2 reported and verified by the employing department;

3 (d) For purposes of members of the general assembly, pay
4 shall be the annual salary provided to each senator and
5 representative pursuant to section 21.140, RSMo, plus any salary
6 adjustment pursuant to section 21.140, RSMo;

7 (22) "Retiree", a person receiving an annuity from the year
8 2000 plan based upon the person's employment record;

9 (23) "State", the state of Missouri;

10 (24) "System" or "retirement system", the Missouri state
11 employees' retirement system or the transportation department and
12 highway patrol retirement system, as the case may be;

13 (25) "Vested former member", a person entitled to receive a
14 deferred annuity pursuant to section 104.1036;

15 (26) "Year 2000 plan", the benefit plan created by sections
16 104.1003 to 104.1093.

17 104.1021. 1. The appropriate board shall determine how
18 much credited service shall be given each member consistent with
19 this section.

20 2. If a member terminates employment and is eligible to
21 receive an annuity pursuant to the year 2000 plan, or becomes a
22 vested former member at the time of termination, the member's or
23 former member's unused sick leave as reported through the
24 financial and human resources system maintained by the office of
25 administration, or if a department's employees are not paid

1 salaries or wages through such system, as reported directly by
2 the department, for which the member has not been paid will be
3 converted to credited service at the time of application for
4 retirement benefits. The member shall receive one-twelfth of a
5 year of credited service for each one hundred and sixty-eight
6 hours of such unused sick leave. The employing department shall
7 not certify unused sick leave unless such unused sick leave could
8 have been used by the member for sickness or injury. The rate of
9 accrual of sick leave for purposes of computing years of service
10 pursuant to this section shall be no greater than ten hours per
11 month. Such credited service shall not be used in determining
12 the member's eligibility for retirement or final average pay.
13 Such credited service shall be added to the credited service in
14 the last position of employment held as a member of the system.

15 3. If a member is employed in a covered position and
16 simultaneously employed in one or more other covered or
17 noncovered positions, credited service shall be determined as if
18 all such employment were in one position, and covered pay shall
19 be the total of pay for all such positions.

20 4. In calculating any annuity, "credited service" means a
21 period expressed as whole years and any fraction of a year
22 measured in twelfths that begins on the date an employee
23 commences employment in a covered position and ends on the date
24 such employee's membership terminates pursuant to section
25 104.1018 plus any additional period for which the employee is

1 credited with service pursuant to this section.

2 5. A member shall be credited for all military service
3 after membership commences as required by state and federal law.

4 6. Any member who had active military service in the United
5 States Army, Air Force, Navy, Marine Corps, Army or Air National
6 Guard, Coast Guard, or any reserve component thereof prior to
7 last becoming a member, or who is otherwise ineligible to receive
8 credited service pursuant to subsection 1 or 5 of this section,
9 and who became a member after the person's discharge from
10 military service under honorable conditions may elect, prior to
11 retirement, to purchase credited service for all such military
12 service, but not to exceed four years, provided the person is not
13 receiving and is not eligible to receive retirement credits or
14 benefits from any other public or private retirement plan, other
15 than a United States military service retirement system, for the
16 military service to be purchased[, and an affidavit so stating is
17 filed by the member with the year 2000 plan] along with the
18 submission of appropriate documentation verifying the member's
19 dates of active service. The purchase shall be effected by the
20 member paying to the system an amount equal to the state's
21 contributions that would have been made to the system on the
22 member's behalf had the member been a member for the period for
23 which the member is electing to purchase credit and had the
24 member's pay during such period of membership been the same as
25 the annual pay rate as of the date the member was initially

1 employed as a member, with the calculations based on the
2 contribution rate in effect on the date of such member's
3 employment with simple interest calculated from the date of
4 employment to the date of election pursuant to this subsection.
5 The payment shall be made over a period of not longer than two
6 years, measured from the date of election, and with simple
7 interest on the unpaid balance. If a member who purchased
8 credited service pursuant to this subsection dies prior to
9 retirement, the surviving spouse may, upon written request,
10 receive a refund of the amount contributed for such purchase of
11 such credited service, provided the surviving spouse is not
12 entitled to survivorship benefits payable pursuant to the
13 provisions of section 104.1030.

14 7. Any member of the Missouri state employees' retirement
15 system shall receive credited service for the creditable prior
16 service that such employee would have been entitled to under the
17 closed plan pursuant to section 104.339, subsections 2, and 6 to
18 9 of section 104.340, subsection 12 of section 104.342, section
19 104.344, subsection 4 of section 104.345, subsection 4 of section
20 104.372, section 178.640, RSMo, and section 211.393, RSMo,
21 provided such service has not been credited under the closed
22 plan.

23 8. Any member who has service in both systems and dies or
24 terminates employment shall have the member's service in the
25 other system transferred to the last system that covered such

1 member and any annuity payable to such member shall be paid by
2 that system. Any such member may elect to transfer service
3 between systems prior to termination of employment, provided, any
4 annuity payable to such member shall be paid by the last system
5 that covered such member prior to the receipt of such annuity.

6 9. In no event shall any person or member receive credited
7 service pursuant to the year 2000 plan if that same service is
8 credited for retirement benefits under any defined benefit
9 retirement system not created pursuant to this chapter.

10 10. Any additional credited service as described in
11 subsections 5 to 7 of this section shall be added to the credited
12 service in the first position of employment held as a member of
13 the system. Any additional creditable service received pursuant
14 to section 105.691, RSMo, shall be added to the credited service
15 in the position of employment held at the time the member
16 completes the purchase or transfer pursuant to such section.

17 11. A member may not purchase any credited service
18 described in this section unless the member has met the five-year
19 minimum service requirement as provided in subdivisions (11) and
20 (20) of section 104.1003, the two full biennial assemblies
21 minimum service requirement as provided in section 104.1084, or
22 the four-year minimum service requirement as provided in section
23 104.1084.

24 12. Absences taken by an employee without compensation for
25 sickness and injury of the employee of less than twelve months or

1 for leave taken by such employee without compensation pursuant to
2 the provisions of the Family and Medical Leave Act of 1993 shall
3 be counted as years of credited service.

4 104.1024. 1. Any member who terminates employment may
5 retire on or after attaining normal retirement eligibility by
6 making application in written form and manner approved by the
7 appropriate board. The written application shall set forth the
8 annuity starting date which shall not be earlier than the first
9 day of the second month following the month of the execution and
10 filing of the member's application for retirement nor later than
11 the first day of the fourth month following the month of the
12 execution and filing of the member's application for retirement.

13 2. A member's annuity shall be paid in the form of a life
14 annuity, except as provided in section 104.1027, and shall be an
15 amount for life equal to one and seven-tenths percent of the
16 final average pay of the member multiplied by the member's years
17 of credited service.

18 3. The life annuity defined in subsection 2 of this section
19 shall not be less than a monthly amount equal to fifteen dollars
20 multiplied by the member's full years of credited service.

21 4. If as of the annuity starting date of a member who has
22 attained normal retirement eligibility the sum of the member's
23 years of age and years of credited service equals eighty or more
24 years and if the member's age is at least [fifty] forty-eight
25 years but less than sixty-two years, or, in the case of a member

1 of the highway patrol who shall be subject to the mandatory
2 retirement provision of section 104.080, the mandatory retirement
3 age and completion of five years of credited service, then in
4 addition to the life annuity described in subsection 2 of this
5 section, the member shall receive a temporary annuity equal to
6 eight-tenths of one percent of the member's final average pay
7 multiplied by the member's years of credited service. The
8 temporary annuity and any cost-of-living adjustments attributable
9 to the temporary annuity pursuant to section 104.1045 shall
10 terminate at the end of the calendar month in which the earlier
11 of the following events occurs: the member's death or the
12 member's attainment of the earliest age of eligibility for
13 reduced Social Security retirement benefits.

14 5. The annuity described in subsection 2 of this section
15 for any person who has credited service not covered by the
16 federal Social Security Act, as provided in sections 105.300 to
17 105.445, RSMo, shall be calculated as follows: the life annuity
18 shall be an amount equal to two and five-tenths percent of the
19 final average pay of the member multiplied by the number of years
20 of service not covered by the federal Social Security Act in
21 addition to one and seven-tenths percent of the final average pay
22 of the member multiplied by the member's years of credited
23 service covered by the federal Social Security Act.

24 6. Effective July 1, 2002, any member, except an elected
25 official or a member of the general assembly, who has not been

1 paid retirement benefits and continues employment for at least
2 two years beyond the date of normal retirement eligibility, may
3 elect to receive an annuity and lump sum payment or payments,
4 determined as follows:

5 (1) A retroactive starting date shall be established which
6 shall be a date selected by the member; provided, however, that
7 the retroactive starting date selected by the member shall not be
8 a date which is earlier than the date when a normal annuity would
9 have first been payable. In addition, the retroactive starting
10 date shall not be more than five years prior to the annuity
11 starting date. The member's selection of a retroactive starting
12 date shall be done in twelve-month increments, except this
13 restriction shall not apply when the member selects the total
14 available time between the retroactive starting date and the
15 annuity starting date;

16 (2) The prospective annuity payable as of the annuity
17 starting date shall be determined pursuant to the provisions of
18 this section, with the exception that it shall be the amount
19 which would have been payable at the annuity starting date had
20 the member actually retired on the retroactive starting date
21 under the retirement plan selected by the member. Other than for
22 the lump sum payment or payments specified in subdivision (3) of
23 this subsection, no other amount shall be due for the period
24 between the retroactive starting date and the annuity starting
25 date;

1 (3) The lump sum payable shall be ninety percent of the
2 annuity amounts which would have been paid to the member from the
3 retroactive starting date to the annuity starting date had the
4 member actually retired on the retroactive starting date and
5 received a life annuity. The member shall elect to receive the
6 lump sum amount either in its entirety at the same time as the
7 initial annuity payment is made or in three equal annual
8 installments with the first payment made at the same time as the
9 initial annuity payment;

10 (4) Any annuity payable pursuant to this section that is
11 subject to a division of benefit order pursuant to section
12 104.1051 shall be calculated as follows:

13 (a) Any service of a member between the retroactive
14 starting date and the annuity starting date shall not be
15 considered credited service except for purposes of calculating
16 the division of benefit; and

17 (b) The lump sum payment described in subdivision (3) of
18 this section shall not be subject to any division of benefit
19 order; and

20 (5) For purposes of determining annual benefit increases
21 payable as part of the lump sum and annuity provided pursuant to
22 this section, the retroactive starting date shall be considered
23 the member's date of retirement.

24 104.1051. 1. Any annuity provided pursuant to the year
25 2000 plan is marital property and a court of competent

1 jurisdiction may divide such annuity between the parties to any
2 action for dissolution of marriage if at the time of the
3 dissolution the member has at least five years of credited
4 service pursuant to sections 104.1003 to 104.1093. A division of
5 benefits order issued pursuant to this section:

6 (1) Shall not require the applicable retirement system to
7 provide any form or type of annuity or retirement plan not
8 selected by the member;

9 (2) Shall not require the applicable retirement system to
10 commence payments until the member's annuity starting date;

11 (3) Shall identify the monthly amount to be paid to the
12 former spouse, which shall be expressed as a percentage and which
13 shall not exceed fifty percent of the amount of the member's
14 annuity accrued during all or part of the period of the marriage
15 of the member and former spouse and which shall be based on the
16 member's vested annuity on the date of the dissolution of
17 marriage or an earlier date as specified in the order, which
18 amount shall be adjusted proportionately upon the annuity
19 starting date if the member's annuity is reduced due to the
20 receipt of an early retirement annuity;

21 (4) Shall not require the payment of an annuity amount to
22 the member and former spouse which in total exceeds the amount
23 which the member would have received without regard to the order;

24 (5) Shall provide that any annuity increases, [temporary
25 annuity received pursuant to subsection 4 of section 104.1024,]

1 additional years of credited service, increased final average
2 pay, increased pay pursuant to subsections 2 and 5 of section
3 104.1084, or other type of increases accrued after the date of
4 the dissolution of marriage and any temporary annuity received
5 pursuant to subsection 4 of section 104.1024 shall accrue solely
6 to the benefit of the member; except that on or after September
7 1, 2001, any cost-of-living adjustment (COLA) due after the
8 annuity starting date shall not be considered to be an increase
9 accrued after the date of termination of marriage and shall be
10 part of the monthly amount subject to division pursuant to any
11 order issued after September 1, 2001;

12 (6) Shall terminate upon the death of either the member or
13 the former spouse, whichever occurs first;

14 (7) Shall not create an interest which is assignable or
15 subject to any legal process;

16 (8) Shall include the name, address, date of birth, and
17 Social Security number of both the member and the former spouse,
18 and the identity of the retirement system to which it applies;

19 (9) Shall be consistent with any other division of benefits
20 orders which are applicable to the same member.

21 2. A system shall provide the court having jurisdiction of
22 a dissolution of a marriage proceeding or the parties to the
23 proceeding with information necessary to issue a division of
24 benefits order concerning a member of the system, upon written
25 request from either the court, the member, or the member's

1 spouse, citing this section and identifying the case number and
2 parties.

3 3. A system shall have the discretionary authority to
4 reject a division of benefits order for the following reasons:

5 (1) The order does not clearly state the rights of the
6 member and the former spouse;

7 (2) The order is inconsistent with any law governing the
8 retirement system.

9 104.1072. 1. Each board shall provide or contract, or
10 both, for life insurance benefits for employees covered pursuant
11 to the year 2000 plan as follows:

12 (1) Employees shall be provided fifteen thousand dollars of
13 life insurance until December 31, 2000. Effective January 1,
14 2001, the system shall provide or contract or both for basic life
15 insurance for employees covered under any retirement plan
16 administered by the system pursuant to this chapter, persons
17 covered by sections 287.812 to 287.856, RSMo, for employees who
18 are members of the judicial retirement system as provided in
19 section 476.590, RSMo, and, at the election of the state highways
20 and transportation commission, employees who are members of the
21 highways and transportation employees' and highway patrol
22 retirement system, in the amount equal to one times annual pay,
23 subject to a minimum amount of fifteen thousand dollars. The
24 board shall establish by rule or contract the method for
25 determining the annual rate of pay and any other terms of such

1 insurance as it deems necessary to implement the requirements
2 pursuant to this section. Annual rate of pay shall not include
3 overtime or any other irregular payments as determined by the
4 board. Such life insurance shall provide for triple indemnity in
5 the event the cause of death is a proximate result of a personal
6 injury or disease arising out of and in the course of actual
7 performance of duty as an employee;

8 (2) Any member who terminates employment after reaching
9 normal or early retirement eligibility and becomes a retiree
10 within sixty days of such termination shall receive five thousand
11 dollars of life insurance coverage.

12 2. (1) In addition to the life insurance authorized by the
13 provisions of subsection 1 of this section, any person for whom
14 life insurance is provided or contracted for pursuant to such
15 subsection may purchase, at the person's own expense and only if
16 monthly voluntary payroll deductions are authorized, additional
17 life insurance at a cost to be stipulated in a contract with a
18 private insurance company or as may be required by a system if
19 the board of trustees determines that the system should provide
20 such insurance itself. The maximum amount of additional life
21 insurance which may be so purchased prior to January 1, 2004, is
22 that amount which equals six times the amount of the person's
23 annual rate of pay, subject to any maximum established by a
24 board, except that if such maximum amount is not evenly divisible
25 by one thousand dollars, then the maximum amount of additional

1 insurance which may be purchased is the next higher amount evenly
2 divisible by one thousand dollars. The maximum amount of
3 additional life insurance which may be so purchased on or after
4 January 1, 2004, is an amount to be stipulated in a contract with
5 a private insurance company or as may be required by the system
6 if the board of trustees determines that the system should
7 provide the insurance itself.

8 (2) Any person defined in subdivision (1) of this
9 subsection may retain an amount not to exceed sixty thousand
10 dollars of life insurance following the date of his or her
11 retirement if such person becomes a retiree the month following
12 termination of employment and makes written application for such
13 life insurance at the same time such person's application is made
14 to the board for retirement benefits. Such life insurance shall
15 only be provided if such person pays the entire cost of the
16 insurance, as determined by the board, by allowing voluntary
17 deductions from the member's annuity.

18 (3) In addition to the life insurance authorized in
19 subdivision (1) of this subsection, any person for whom life
20 insurance is provided or contracted for pursuant to this
21 subsection may purchase, at the person's own expense and only if
22 monthly voluntary payroll deductions are authorized, life
23 insurance covering the person's children or the person's spouse
24 or both at coverage amounts to be determined by the board at a
25 cost to be stipulated in a contract with a private insurer or as

1 may be required by the system if the board of trustees determines
2 that the system should provide such insurance itself.

3 (4) Effective July 1, 2000, any member who applies and is
4 eligible to receive an annuity based on the attainment of at
5 least [fifty] forty-eight years of age with a total of years of
6 age and years of credited service which is at least eighty shall
7 be eligible to retain any optional life insurance described in
8 subdivision (1) of this subsection. The amount of such retained
9 insurance shall not be greater than the amount in effect during
10 the month prior to termination of employment. Such insurance may
11 be retained until the member's attainment of the earliest age for
12 eligibility for reduced Social Security retirement benefits at
13 which time the amount of such insurance that may be retained
14 shall be that amount permitted pursuant to subdivision (2) of
15 this subsection.

16 3. The state highways and transportation commission may
17 provide for insurance benefits to cover medical expenses for
18 members of the highways and transportation employees' and highway
19 patrol retirement system. The state highways and transportation
20 commission may provide medical benefits for dependents of members
21 and for retired members. Contributions by the state highways and
22 transportation commission to provide the benefits shall be on the
23 same basis as provided for other state employees pursuant to the
24 provisions of section 104.515. Except as otherwise provided by
25 law, the cost of benefits for dependents of members and for

1 retirees and their dependents shall be paid by the members or
2 retirees. The commission may contract with other persons or
3 entities including but not limited to third- party
4 administrators, health network providers and health maintenance
5 organizations for all, or any part of, the benefits provided for
6 in this section. The commission may require reimbursement of any
7 medical claims paid by the commission's medical plan for which
8 there was third-party liability.

9 4. The highways and transportation employees' and highway
10 patrol retirement system may request the state highways and
11 transportation commission to provide life insurance benefits as
12 required in subsections 1 and 2 of this section. If the state
13 highways and transportation commission agrees to the request, the
14 highways and transportation employees' and highway patrol
15 retirement system shall reimburse the state highways and
16 transportation commission for any and all costs for life
17 insurance provided pursuant to subdivision (2) of subsection 1 of
18 this section. The person who is covered pursuant to subsection 2
19 of this section shall be solely responsible for the costs of any
20 additional life insurance. In lieu of the life insurance benefit
21 in subdivision (2) of subsection 1 of this section, the highways
22 and transportation employees' and highway patrol retirement
23 system is authorized in its sole discretion to provide a death
24 benefit of five thousand dollars.

25 5. To the extent that the board enters or has entered into

1 any contract with any insurer or service organization to provide
2 life insurance provided for pursuant to this section:

3 (1) The obligation to provide such life insurance shall be
4 primarily that of the insurer or service organization and
5 secondarily that of the board;

6 (2) Any member who has been denied life insurance benefits
7 by the insurer or service organization and has exhausted all
8 appeal procedures provided by the insurer or service organization
9 may appeal such decision by filing a petition against the insurer
10 or service organization in a court of law in the member's county
11 of residence;

12 (3) The board and the system shall not be liable for life
13 insurance benefits provided by an insurer or service organization
14 pursuant to this section and shall not be subject to any cause of
15 action with regard to life insurance benefits or the denial of
16 life insurance benefits by the insurer or service organization
17 unless the member has obtained judgment against the insurer or
18 service organization for life insurance benefits and the insurer
19 or service organization is unable to satisfy that judgment.

20 104.1093. 1. For purposes of this section, the term
21 "benefit recipient" shall include any employee, beneficiary or
22 retiree pursuant to sections 104.010 to 104.1093, any
23 administrative law judge, legal advisor or beneficiary as defined
24 pursuant to section 287.812, RSMo, or any judge or beneficiary as
25 defined pursuant to section 476.515, RSMo, or any special

1 commissioner pursuant to section 476.450, RSMo.

2 2. Notwithstanding any provision of law to the contrary,
3 any benefit recipient may designate an agent who shall have the
4 same authority as an agent pursuant to a durable power of
5 attorney pursuant to sections 404.700 to 404.737, RSMo, with
6 regard to the application for and receipt of an annuity or any
7 other benefits. The authority of such agent may be revoked at
8 any time by such benefit recipient. The authority of such agent
9 shall not terminate if such benefit recipient becomes disabled or
10 incapacitated. The designation shall be effective only upon the
11 disability or incapacity of the benefit recipient as determined
12 by that person's physician and communicated in writing to the
13 system.

14 3. In the event a benefit recipient becomes disabled or
15 incapacitated and has not designated an agent pursuant to
16 subsection 2 of this section, the following persons may act as
17 agent as described in subsection 2 of this section upon
18 submission of a written statement from a physician determining
19 that the [beneficiary] benefit recipient is disabled or
20 incapacitated:

21 (1) The spouse of the [beneficiary] benefit recipient;

22 (2) If the spouse is unavailable, to a child of the
23 [beneficiary] benefit recipient;

24 (3) If [a] no child is [unavailable] available, to a
25 [brother or sister of the beneficiary] parent of the benefit

1 recipient;

2 (4) If [a brother or sister is unavailable] no parent is
3 available, to a [parent] brother or sister of the [beneficiary]
4 benefit recipient; or

5 (5) If no brother or sister is available, to a niece,
6 nephew, or a grandchild of the benefit recipient.

7 4. The system shall not be liable with regard to any
8 payment made in good faith pursuant to this section.

9 168.303. The state board of education shall adopt rules to
10 facilitate job-sharing positions for classroom teachers, as the
11 term "job-sharing" is defined in this section. These rules shall
12 provide that a classroom teacher in a job-sharing position shall
13 receive paid legal holidays, annual vacation leave, sick leave,
14 and personal leave on a pro rata basis. "Job-sharing position"
15 shall mean any position:

16 (1) Shared with one other employee;

17 (2) Requiring employment of at least seventeen hours per
18 week but not more than twenty hours per week on a regular basis;
19 and

20 (3) Requiring at least seventy percent of all time spent in
21 classroom instruction as determined by the employer;

22 provided that, job-sharing position shall not include
23 instructional support or school services positions including, but
24 not limited to, guidance counselor, media coordinator,

1 psychologist, social worker, audiologist, speech and language
2 pathologist, and nursing positions.

3 169.712. 1. Notwithstanding any provision of law to the
4 contrary, any person duly certificated under the law governing
5 the certification of teachers in Missouri who, after August 28,
6 1997, is first employed in a position which would otherwise
7 qualify the person for membership in the nonteacher school
8 employee retirement system pursuant to the provisions of sections
9 169.600 to 169.710 shall be a member of the public school
10 retirement system pursuant to the provisions of sections 169.010
11 to 169.141, and shall receive creditable service on a pro rata
12 basis in that system for subsequent certificated services which
13 would otherwise have been creditable in the nonteacher school
14 employee retirement system. Any such person shall have the
15 option of being a member of the nonteacher school employee
16 retirement system. The option election must be filed with the
17 board of trustees of the public school retirement system within
18 ninety days of first such employment following August 28, 1997.

19 2. Notwithstanding any provision of law to the contrary,
20 any person duly certificated under the law governing the
21 certification of teachers in Missouri who, on or after August 28,
22 2003, is employed by a public school, as defined in section
23 169.010, for at least seventeen but less than twenty hours per
24 week on a regular basis shall be a member of the public school
25 retirement system pursuant to the provisions of sections 169.010

1 to 169.141, and shall receive creditable service on a pro rata
2 basis in that system. Any such person shall have the option of
3 being a member of the nonteacher school employee retirement
4 system. The option election must be filed with the board of
5 trustees of the public school retirement system within ninety
6 days of first such employment or within ninety days of August 28,
7 2003, whichever later occurs.

8 3. Any person who is a member of the public school
9 retirement system or the nonteacher school employee retirement
10 system pursuant to subsection 2 of this section may purchase
11 credit in such system for service after August 28, 1991, that
12 would have qualified such person for membership in either
13 retirement system pursuant to subsection 2 of this section had
14 such subsection been in effect prior to August 28, 2003; provided
15 that such purchase of credit in the public school retirement
16 system shall be subject to the provisions of section 169.056 and
17 such purchase of credit in the nonteacher school employee
18 retirement system shall be subject to the provisions of section
19 169.655.

20 287.845. 1. The board shall administer the provisions of
21 sections 287.812 to 287.855 and shall have the same powers,
22 duties, and obligations in regard to the funds and the system
23 provided for in such sections as it has in regard to the Missouri
24 state employees' retirement system. The system shall calculate
25 the annuity for an administrative law judge or legal advisor, as

1 defined in section 287.812 based on the law in effect at the time
2 the administrative law judge's or legal [advisory's] advisor's
3 employment was terminated.

4 2. The commissioner of administration, the state treasurer,
5 and the secretary of the Missouri state employees' retirement
6 system shall perform the same duties in regard to the retirement
7 system established pursuant to the provisions of sections 287.812
8 to 287.855 that are prescribed for such officers in sections
9 104.436 and 104.438, RSMo, in regard to the Missouri state
10 employees' retirement system. Funds so certified and transferred
11 for the retirement system established pursuant to the provisions
12 of sections 287.812 to 287.855 shall be deposited in a separate
13 account of the Missouri state employees' retirement fund and
14 shall be disbursed only for the purposes of sections 287.812 to
15 287.855.

16 3. Notwithstanding any other provision of law to the
17 contrary, nothing contained in this act shall alter or revise the
18 administrative law judge's and legal advisor's retirement system
19 as previously established by law.

20 488.026. As provided by section 56.807, RSMo, there shall
21 be assessed and collected a surcharge of six dollars in all
22 criminal cases filed in the courts of this state, including
23 violations of any county ordinance or any violation of criminal
24 or traffic laws of this state, including infractions, but no such
25 surcharge shall be assessed when the costs are waived or are to

1 be paid by the state, county, or municipality or when a criminal
2 proceeding or the defendant has been dismissed by the court or
3 against any person who has pled guilty and paid their fine
4 pursuant to section 476.385, RSMo. For purposes of this section,
5 the term "county ordinance" shall include any ordinance of the
6 city of St. Louis. The clerk responsible for collecting court
7 costs in criminal cases shall collect and disburse such amounts
8 as provided by sections 488.010 to 488.020. Such funds shall be
9 payable to the prosecuting attorneys and circuit attorneys'
10 retirement fund.

11 Section 1. 1. Any state employee or retiree who retires
12 pursuant to section 2 of this act, and is also eligible for
13 medical coverage as described in section 103.115, RSMo, shall be
14 eligible to have the following provisions apply to such coverage:

15 (1) Such retiree may elect to continue coverage for himself
16 or herself and any eligible dependents at the same cost as if
17 such retiree was an active employee;

18 (2) Such retiree may continue to pay the applicable rate as
19 if the retiree were an active employee for a maximum period of
20 five years or upon becoming eligible for Medicare, whichever
21 occurs first;

22 (3) After five years or upon becoming eligible for
23 Medicare, the cost for medical coverage for such retiree and any
24 dependents shall revert to the applicable rate in place at that
25 time; and

1 (4) Any additional years of service credited to such
2 retiree's annuity pursuant to section 2 of this act, shall also
3 be applicable, as appropriate, to the cost of medical coverage
4 upon cessation of the Medical coverage provided pursuant to this
5 section.

6 2. Any employee or retiree of a participating member agency
7 who retires pursuant to section 2 of this act, shall only be
8 eligible to have the provisions of subsection 1 of this section
9 applied to his or her coverage if the governing body of the
10 participating member agency elects to provide such benefits.

11 3. The governing boards of Truman State University, Lincoln
12 University, the educational institutions described in section
13 174.020, RSMo, the Missouri department of transportation and the
14 Missouri state highway patrol, and the conservation commission of
15 the department of conservation may elect to provide its employees
16 or retirees who retire pursuant to section 2 of this act, the
17 same benefits as described in subsection 1 of this section under
18 the respective medical plans of those institutions and
19 departments.

20 4. The medical coverage provided for a retiree pursuant to
21 this section shall cease immediately upon the reemployment of
22 such retiree in a full-time, state covered position.

23 Section 2. 1. An employee who has not been a retiree of
24 the system in which such employee is currently receiving
25 creditable or credited service may elect to apply for retirement

1 pursuant to this section and, for purposes of calculating a
2 normal annuity pursuant to section 104.080, 104.090, 104.100,
3 104.271, or 104.400, RSMo, or a life and any temporary annuity
4 pursuant to section 104.1024, RSMo, may purchase and receive
5 three additional years of creditable or credited service. The
6 additional years of creditable service, at the employee's option,
7 may be added to either the total years of service, or to the
8 employee's age, or any combination of age and service and may be
9 used in meeting the normal retirement eligibility requirements.
10 The election to purchase service and retire shall be subject to
11 the following limitations:

12 (1) An employee shall have been employed continuously for
13 at least one year on and immediately prior to the effective date
14 of this section;

15 (2) An employee shall not elect to retire pursuant to this
16 section unless the employee's annuity payments will commence
17 prior to February 1, 2004;

18 (3) The purchase of creditable service shall be subject to
19 the provisions of subsection 2 of this section;

20 (4) In no event shall an employee who retires pursuant to
21 this section receive an annuity and lump sum payment pursuant to
22 section 104.625 or 104.1024, RSMo, except that such employee
23 shall not be prohibited from the medical coverage provided
24 pursuant to section 1 of this act;

25 (5) This section shall not apply to any early retirement

1 annuity;

2 (6) A retiree shall not elect to retire pursuant to this
3 section unless the retiree has elected to be a special consultant
4 pursuant to subdivision (8) of this subsection prior to February
5 1, 2004;

6 (7) An employee who is a member of the general assembly or
7 a statewide elected official shall not elect to retire pursuant
8 to this section;

9 (8) A retiree shall be eligible to receive retirement
10 benefits pursuant to this section if the retiree:

11 (a) Is not receiving retirement benefits pursuant to
12 section 104.370, 104.371, or 104.1084, RSMo;

13 (b) Terminated employment and within thirty days of such
14 termination retired effective on or after February 1, 2003;

15 (c) Did not make an election to receive an annuity and lump
16 sum payment pursuant to section 104.625 or 104.1024, RSMo, except
17 that any retiree who retires on or after February 1, 2003, but
18 prior to February 1, 2004, shall not be prohibited from the
19 medical coverage provided pursuant to section 1 of this act; and

20 (d) Has elected or does elect to be made, constituted,
21 appointed, and employed by the board as a special consultant on
22 the problems of retirement, aging, and other state matters for
23 compensation and for the remainder of the person's life, and upon
24 request of the board, give opinions, and be available to give
25 opinions in writing, or orally, in response to such requests.

1 The system shall recalculate the retiree's annuity in accordance
2 with this section and shall make a lump sum payment so that the
3 retiree receives an amount equal to the amount the retiree would
4 have received had the retiree originally received retirement
5 benefits pursuant to this section on the retiree's annuity
6 starting date and provide medical coverage pursuant to section 1
7 of this act, effective on the annuity starting date.

8 2. The purchase of creditable service pursuant to the
9 provisions of subsection 1 of this section shall be affected by
10 the person paying to the system an amount equal to thirty-six
11 multiplied by the contribution rate in effect on the effective
12 date of this section times the final average compensation of the
13 employee or retiree at date of termination or retirement. Such
14 amount shall be collected by the system making twenty-four
15 monthly deductions from the retirement benefits paid pursuant to
16 this section during the first twenty-four months of payment plus
17 simple interest on the unpaid balance unless the person elects to
18 pay such amounts in cash or by using an eligible rollover
19 distribution from an eligible retirement plan in accordance with
20 the provisions of the Internal Revenue Code of 1986, as amended.
21 Payments by cash or rollover must be completed within ninety days
22 of termination of employment, otherwise the system shall collect
23 the amount under the foregoing deduction method. If the retiree
24 dies prior to completing the purchase of service, the amount
25 shall be collected to the extent possible out of the retiree's

1 last monthly payment and out of any survivor benefits payable to
2 a spouse or other beneficiary.

3 3. The state may hire employees to replace those employees
4 retiring pursuant to this section and section 1 of this act
5 during the time period of February 1, 2003, to February 1, 2004,
6 except that departments shall not fill more than twenty-five
7 percent of those positions vacated. Exceptions to the twenty-
8 five percent restriction may be made for critical or seasonal
9 positions or positions which are entirely federally funded. Such
10 determination shall be made by rule and regulation promulgated by
11 the personnel advisory board. No rule or portion of a rule
12 promulgated pursuant to the authority of this section or section
13 1 of this act shall become effective unless it has been
14 promulgated pursuant to chapter 536, RSMo. The provisions of
15 this subsection shall not apply to Truman University, Lincoln
16 University, or the educational institutions described in section
17 174.020, RSMo.

18 4. Any employee making an election pursuant to the
19 provisions of this section with annual leave accruals in excess
20 of two thousand dollars pursuant to section 36.350, RSMo, shall
21 receive payment for such accruals over a two-year period, with
22 the first payment payable on July 1, 2004, and the second and
23 final payment payable on July 1, 2005. These payments may be
24 contributed into the retiree or employee's section 457 deferred
25 compensation plan in which the retiree or employee is a

1 participant, subject to applicable federal tax law, regulations,
2 and rulings. Any sick leave accrual shall be administered
3 subject to the provisions of section 104.601 and subsection 2 of
4 section 104.1021.

5 5. Any employee or retiree making an election pursuant to
6 the provisions of this section shall be prohibited from
7 employment with any department as defined in this chapter for a
8 period of three years from date of election.

9 6. The Missouri state employees' retirement system and the
10 highways and transportation employees' and highway patrol
11 retirement system shall make a report in writing to the governor,
12 commissioner of administration, and the general assembly by April
13 1, 2004, of the effect of state employee retirements pursuant to
14 this section and section 1 of this act. The report shall cover
15 the time period of February 1, 2003, to January 31, 2004. The
16 report shall include the number of such retirements, the amount
17 of payroll affected as a result of retirements, and the financial
18 effect of such retirements as expressed in a report by each
19 system's actuary.

20 7. The office of administration shall make a report in
21 writing to the governor and the general assembly by April 1,
22 2004, of the budgetary effect of state employee retirements
23 pursuant to this section and section 1 of this act. The report
24 shall include the amount of payroll reduced as a result of such
25 retirements, the number of positions that are core cut as a

1 result of such retirements, the number of employees employed to
2 replace those who retired pursuant to this section, and the
3 financial effect on the budget, including any costs associated
4 with payment of medical premiums by the state.

5 8. The Missouri consolidated health care plan shall make a
6 report in writing to the governor and the general assembly by
7 April 1, 2004, of the effect of state employee retirements
8 pursuant to this section and section 1 of this act. The report
9 may include, and not be limited to, the amount of payroll reduced
10 as a result of such retirements, the number of positions that are
11 core cut as a result of such retirements, the number of employees
12 employed to replace those who retired pursuant to this section,
13 and the financial effect on the budget, including any costs
14 associated with payment of medical premiums by the state.

15 9. Notwithstanding any provisions of law to the contrary,
16 any purchase of creditable or credited service pursuant to this
17 section and any other section pursuant to chapter 104, RSMo,
18 shall not exceed any applicable service credit purchase
19 limitations contained in Internal Revenue Code Section 415(n).

20 Section B. Because the enactment of sections 1 and 2 of
21 section A of this act are deemed necessary for the immediate
22 preservation of the public health, welfare, peace, and safety,
23 and are hereby declared to be an emergency act within the meaning
24 of the constitution, the enactment of sections 1 and 2 of section
25 A of this act shall be in full force and effect upon its passage

1 and approval or July 1, 2003, whichever later occurs.